S. HRG. 100-77

URGENT RELIEF FOR THE HOMELESS ACT OF 1987

HEARING

BEFORE THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

S. 813

TO PROVIDE URGENTLY NEEDED ASSISTANCE TO PROTECT AND IMPROVE THE LIVES AND SAFETY OF THE HOMELESS

MARCH 30, 1987

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URGENT RELIEF FOR THE HOMELESS ACT OF 1987

MONDAY, MARCH 30, 1987

U.S. Senate,
Committee on Governmental Affairs,
Washington, DC.

The Committee met, pursuant to notice, at 11 a.m., in Room 342, Dirksen Senate Office Building, Hon. John Glenn, Chairman of the Committee, presiding.

Present: Senators Glenn, Roth, Chiles, and Trible.

OPENING STATEMENT OF CHAIRMAN GLENN

Chairman **Glenn**. The hearing will be in order. Good morning and welcome to today's hearing which will focus on Congressional efforts to effectively combat a human tragedy, homelessness in America.

I am deeply disturbed that in this land of plenty, perhaps as many as 3 million men, women and children regularly want for life's most very basic necessities—just adequate food, clothing, and shelter. In my own home State of Ohio the number of homeless number is estimated to be at more than 120,000, and the problem seems to be getting worse.

My concern has compelled me to join with a number of my colleagues in cosponsoring Senate Bill 809, the Omnibus Urgent Relief for the Homeless Act of 1987, and to hold this hearing on S. 813, the Governmental Affairs component of the larger measure, and it is my understanding that those bills were split before they came over. They will be put back together on the Senate floor and considered all at the same time.

The purpose of this legislation, S. 813, is to provide both immediate emergency aid plus long-term mechanisms of assistance to our Nation's most needy, its homeless. And the organizational aspects of this effort are the particular province of this Committee on Governmental Affairs.

Who are the homeless? Well, they are the nameless, placeless people we pass every day living on the grates or panhandling on the streets of our cities. They are also individuals largely invisible to us—children from broken homes, teenage runaways, battered and abused wives and mothers, mentally ill persons, and decorated war veterans—all struggling to survive in a system which offers pitifully little help.

More often than not the homeless are innocent victims of circumstances beyond their control, and discouraged by a hopelessness we all pray that we never will know personally. Despite their diversity, the homeless do have one thing in common; they are not receiving the assistance we as a Nation are capable of and should be giving. No matter where some try to place the blame for their condition, the bottom line is that we all share the responsibility of trying to help.

I realize that the legislation under consideration today may not be perfect. Indeed, some of our witnesses will be expressing particular concerns. Nonetheless, this bill was crafted only after weeks of extensive bipartisan negotiation. It represents a balanced and a pragmatic approach to confront this vexing problem.

However much S. 813 helps, we must remember it is only a beginning. The problem of homelessness is too complex to be quickly solved. What is required is a long-term commitment—the kind of effort and viable mechanisms which I firmly believe S. 813 creates.

In this respect, one of the focal points of S. 813 is the establishment and the organization of an independent Interagency Council on the Homeless to effectively coordinate the thicket of homeless programs run by a multitude of Federal agencies. The Council would be based on the Federal Task Force on the Homeless currently administered within HHS. One of its most crucial functions, in my judgment, would be to prepare an annual report to the Congress which assesses the nature and extent of the homeless problem while detailing what is being done, or could be done better, to meet the needs of the homeless.

The Reagan Administration, with no great surprise, has indicated its opposition to this proposal. I intend to question each of our witnesses today on whether or not that opposition is well founded.

Finally, I would like to note that, at Senator Roth's request, we have made certain accommodations with respect to the hour of this hearing and the order of the witnesses called. It is indeed possible, because of a prior commitment I have today at one o'clock, that I may regrettably miss the comments and opportunity to question our last panel representing the Federal Task Force on the Homeless, but we were glad to accommodate the Ranking Minority Member since he could not be here earlier due to other commitments.

So we will now proceed.

Senator Trible, do you have any comments before we go the witnesses?

Senator TRIBLE. Mr. Chairman, simply that I share your concern about the plight of the homeless and I look forward to these hearings and welcome the witnesses today.

Chairman GLENN. Thank you very much.

Senator Heinz could not be here but has requested that his statement be made a part of the record.

[The statement of Senator Heinz follows:]

OPENING STATEMENT OF SENATOR HEINZ

Mr. Chairman, as a cosponsor of the Senate's omnibus homeless assistance measure, I am very pleased that the Committee is having this hearing. I am particularly interested in the proposed National Council on the Homeless, and hope that the Committee can develop this proposal into a workable oversight and assistance package for homeless programs.

There is no home presently for programs which aid the homeless. This is one of the real ironies of our current efforts. We have a situation where FEMA, an agency responsible for hurricanes, floods, and other disasters, is reluctantly in the busines of emergency food and shelter. The Department of Housing and Urban Development has quietly told us that they would prefer not to be in the business of emergency shelter. Well, Mr. Chairman, someone has got to be in that business, and for lack of a better proposal the legislation before us gives general oversight and management to the National Council. FEMA and HUD continue to play important roles: FEMA will continue to operate the Emergency Food and Shelter program; HUD will have responsibility for transitional housing—to help the homeless get from main street to the mainstream—as well as emergency housing and a new section 8 program.

These programs are potentially duplicative, and the involvement of two Federal agencies in homeless assistance causes me some concern. That is where the National Council must come in. The Council must have sufficient oversight of both HUD and FEMA to prevent duplication of effort, and to gear efforts to those who need it most. We must be certain that the Council is more than just an advisory board, it must be a central part of the government's overall effort to aid the homeless.

At the same time, we know that the programs that the homeless bill authorizes will not solve the problem alone We need the full involvement of state and local governments, non-profits, and local service-providers. The Council must also be able to develop new means of assisting the homeless by monitoring new programs, and recommending changes, improvements, or shifting of resources.

We have an outstanding panel of witnesses today. I welcome them, and look forward to reviewing their testimony.

Chairman **Glenn**. Also, Senator Dixon has submitted a statement to be made a part of the record.[1]

We are starting with Panel 2 here, since the other representatives on the first panel are not all here. Our first witnesses are Mark Talisman, Director of the Washington ACTION Office of the Council of Jewish Federations; Jack Moskowitz, Senior Vice President of Government Relations, United Way of America; and Dennis Kwiatkowski, Chairman, Emergency Food and Shelter National Board Program of FEMA, the Federal Emergency Management Agency.

Mr. Talisman, we are glad to lead off with your testimony this morning.

TESTIMONY OF MARK E. TALISMAN, DIRECTOR, WASHINGTON ACTION OFFICE, COUNCIL OF JEWISH FEDERATIONS

Mr. **Talisman**. Thanks very much, Senator.

Mr. Chairman, Members of the Committee, we were grateful for all of the attention and most of all for the opportunity to see our program, the Federal Emergency Management Directed Program on National Food and Shelter finally be authorized, since we have been trying since 1983, and I think that Act alone is very important. Also, because of your willingness to act so speedily in taking leadership on the issue of addressing the catastrophe of homeless and hunger in America.

There are a lot of comments I want to make. I will take your offer, immediately, and ask that the full statement be put in the record [2] and I will just go over a few of the comments I want to make. I am with distinguished colleagues, as you have mentioned, and especially Dennis Kwiatkowski, who is the Chairman of our National Emergency Food and Shelter Board.

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[1] See p. 147

[2] See p. 69

The history of this is very important and not many people in the House and the Senate know it. I hope, at the outset, that you will avail yourselves of the opportunity, both you and your staff, to visit the National Emergency Food and Shelter Program, which is located in Alexandria, to see the actual process. Because I think once you see the process and how the local agencies have to respond to the Federal mandate and the cooperation that goes on, I think you will find it all fits together.

We have at present in this last phase, phase 5, since 1983, somewhere in the neighborhood of—as a matter of fact, precisely—1,393 local civil jurisdictions that are funded around the country which in turn have sought and received proposals from almost 5,400 local private voluntary agencies that have used this Federal funding for the purposes of beginning to alleviate the problems of homelessness and hunger.

I would say at the outset, lest there be any misunderstanding from me, certainly, or anyone else, that while the Congress has responded magnanimously with the millions of dollars known as the National Emergency Food and Shelter Program, it is a multi-billion dollar annual problem, and anyone who believes anything knows that while this is terrific, it is not nearly enough to begin to meet the kinds of problems that are out there.

Having mentioned to you that there are nearly 5,400 local private voluntary agencies in each of your States, as it happens, who are working mightily to try to help solve these problems, it is probably among the best examples of the marriage of the public and private sector to try to do that.

But we are frustrated—I am, at least—and when I have had to testify on the appropriations side on both sides, it is almost as if I want to whisper into this microphone, hey, by the way, if you think we are solving the problem, we are not. And if we think we are so terrific at what we are doing, we are not.

It is frustrating, it is miserable, and we as a National Board—at least I can speak for myself—am frustrated beyond belief when we have to make decisions on local requests for certain kinds of rule making that we have to every week, because they have to ask whether they can spend the meager amounts that are alloted from the Federal Government in certain ways.

I have told the stories before on the House side, and I think that they are worthy of this microphone as well. We have a little bit of money, and therefore we have a tough time allowing certain local programs to go on, one of which is renovation of property. If you take $70 million in the last go-around of Federal appropriation and you allow any kind of serious renovation or capital expenditure to go on, in one area in Cuyahoga County, Senator, in Ohio, all of that money would disappear immediately. In Miami Beach it would be the same, where there is a desparate need in the City of Miami, and in certain places in Northern and Southern Virginia, so we cannot allow it. So that is out.

In your bill there is no provision whatsoever for any kind of renovation whatsoever. And that really cannot be allowed. The House does have a provision. It is costly, but per capita means that we produce from existing housing stock that can be renovated some more healthful places for lodging. I know, as a person who has worked up here for 25 years, the problems that you face budgetarily in regard to deficits. But the human deficit involved is something that we cannot solve by allowing people to stay outside any longer, and fudging the issue in regard to renovation is real tough, and there is nothing in the bill at all in regard to this issue.

Secondly, we have other kinds of problems that you ought to know about, one of which is that there are big medical problems out there. The portion of the bill that is going for authorization before Senator Cranston, on which we testified, begins to deal with it. But you ought to know it is real out there, because a lot of local agencies come before our board asking for exceptions to allow them to use the little bits of money they are getting to allow people to purchase medicine, because if they do not have the medicine they cannot ingest the food that we are giving them under the program. That is in the United States of America.

In Claiborne County, Mississippi, which continues the program that they have initiated, they came to us and we are sitting there like Solomons—would be Solomons—hopefully trying to make right decisions as volunteers sitting on this National Board, and they said, you know, we do not want to spend your money on food, we want to spend it on seed, on vegetable seed.

Having worked on the House side for 15 years it conjured some kinds of images that we use to have with certain international programs where people would have to eat their seed instead of planting it, so we wanted to know what they meant. It was an awful kind of problem. It turned out that what they meant was, and what they did was—because it was allowed--was to use $6,000 worth of vegetable seed in the Springtime and harvest $60,000 worth of vegetables in the Fall, then to get from us an exception to allow a new compressor to be put into a 1946 stick-shift Ford van to allow the food that they had prepared to be kept cold and safe to go into one of the largest counties in America to distribute the food that they had grown.

Now, I think I could—if I were a good short story writer—sort of write a good short story about what is going on out there. The problem is the resources are needed to be able to do those kinds of clever things, because the volunteers and the professionals are out there wanting to do it.

None of this is perfect. None of it is really even terrific to those who are out there, because every time they turn around and try to solve a problem with the tools that are given to them, larger problems loom out there to be solved.

Now, specifically to your bill, S. 813, as I said, the authorization is important. It may sound strange, but this program has existed by appropriation since 1983. So having this conversation is really important before an Authorizing Committee.

Secondly, the interagency council which you propose, Mr. Chairman and members of the Committee, is a very good idea, if, in fact it is allowed to function in an independent way. And I sort of have a different view than at least I read between the lines in the announcement of the proposed legislation.

And that is to say that if the agencies of the Federal Government were brought together in an executive level and allowed to survey generally the capabilities of the Federal Government and then bring to bear the power of the Council to bring those capabilities together, the contribution in kind that could be made through the direction of that kind of Council, not in cash even, would be enormous, and it really relates to the surplus property section you have as well.

For example, there is real property in the Federal stocks that probably should be used for homelessness. The problem is that the last time we went around with this with the Defense Department, and it was in Speaker O'Neill's office, it was an elucidating experience, and I think that is my best term of understatement I could develop. Because, in fact what ended up happening was the Defense Department came forward with surplus property possibilities where there were no people and no possibility of having people anywhere near them, and absolutely no possibility of renovating the property so it would be habitable.

So while the initial duty was discharged, in fact the ultimate answer was not provided. If a Council were coordinating it and had an authority under your authorizing language, and appropriate language in the report that would mandate such cooperation, I have a feeling it might work. There is a lacking, by the way—while I am mentioning surplus property in regard to the proposal in the House side—and that is that they dealt also with other levels of Government surplus property and coordinated it with the section on Federal. I think you ought to do that as well. It would be a very good idea, because there are other forms of surplus property available—that is really property—available in States and localities that should be placed under this section.

I would add as well that just the opportunity, the signal from the Federal Government that a serious interagency council with powers were to be appointed at the highest level, that I think the response would be enormous among the agencies—all Federal agencies—because I do not think there is a mean heart in the country that does not really want to solve this problem. And the kind of resources available in the Federal Government, both from a food standpoint and from other kinds of surpluses, are enormous.

And I want to mention that now. In addition to real surplus property—as you know, in each of your States, in the State Capitol, there is a surplus property office that is non-real, in the sense that they deal with tangible items, objects. Everything from vans and trucks that are available, all the way down to beds and blankets. When CCNV needed beds and blankets, that is where they got it from, was the surplus property stock when the House intervened and had them delivered from the D.C. Surplus Property Office.

The interagency council could do a whizbanger job, in my judgment, in being able to coordinate just that kind of function. I think you need a section in your bill attached to the real surplus property section dealing with the other kinds of tangible surplus properties available. So, in sum, in regard to the interagency council, there is an enormous opportunity and if it were mandated appropriately, I think it could actually function very well.

You dealt with the Board itself—the National Emergency Food and Shelter Board—lovingly known as FEMA. You should know, Senators, that FEMA, the Federal Emergency Management Administration, which has emergency in its title, has functioned as a loving home for this Board. Its new director has functioned extremely well and sensitively in allowing the Board to function. There is not one person or office within FEMA that has not cooperated fully in allowing this National Emergency Food and Shelter Program to go forward.

And in that connection, when I read your section, unless I misunderstood it, in regard to authorizing now for the first time, FEMA, I am not sure that it is not too complicated, in the sense that it is not broken, so why fix it. I think we could work in about ten minutes to rewrite that section, which in essence would recognize the existing Board, which means to say first, that I would suspect, as an outsider sitting on the Board, that it is a good idea to have FEMA's Director designate the Chairman from among the FEMA staff, to have a Federal person in charge of the Board. I think that is a good idea.

I would say on a personal note, which is embarrassing to my distinguished Chairman to my left, but Dennis Kwiatkowski has served in this function as a civil servant appointed by FEMA way above and beyond the call of duty, in ways that have been absolutely superb in very sensitive situations where we have not had, for example, a delay of over 35 days from the time the President signs the bill to the time the programs are approved in the country and checks are being cut. It is absolutely astonishing.

I do not think there is a program that equals it around the country in terms of non-bureaucratization in an emergency situation. I have a chart here which I would love to put in the record which shows the actual statistics, and these statistics are actually useful. They show how fast the money has gotten out and how well it has gotten out.

Chairman GLENN. We would like to have that and it will be entered in the record without objection.[3]

Mr. TALISMAN. Thank you. It is a tribute to Dennis and the staff at FEMA, as well as the United Way Secretariat, represented by Jack Moskowitz, to my right.

This is a unique program, because the volunteer agencies, as the Senate and the House and the President have asked, have come full flat-footed into this program and given everything they can possibly give to this program. United Way National has served as the Secretariat for the program, using its own computer system, for example, to be able to massage the Federal statistics, which are not very good for our purposes, to try to designate and determine the actual areas in the country that are in need of emergency statistics.

So we have taken the tapes from the Federal Government and run them through, for example, the United Way system, the United Way Secretariat, Ike Fields—who is sitting to my far right—is the actual staff director. The kind of program that is run is a credit to anyone. And they have done it.

Really, I am the bad guy in this, in regard to the next section, which is the overhead question, which you finally address. I insisted that we do it at first for nothing, that we have agencies all over the country serve with no overhead cost whatsoever, because I wanted to demonstrate to everybody, as did my colleagues, that this was so important we did not want to fool around. We did not want any challenges as to whether we were using money illicitly and all of these kinds of things that somehow come from nowhere.

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[3] See p. 76

Instead, we settled at 2 percent, and then we had a study come in from Urban Institute which demonstrated the actual minimum cost around the country is 11.5 percent, and that is low for administration. There is not anything around the country that is administering for that cost.

So raising the administrative costs from 2 to 5 percent is legit, and way below the actual cost. The reason it has to be done—and I am talking as the bad guy in this, it was my fault, originally, because I wanted the House and the Senate to believe in us very badly—and that is that a lot of these small agencies are going broke doing this program. They do not have the money to administer the program. So that is that.

My offer does stand in regard to that section on authorization of how the Board should run and so on, because I do think that the way it runs seems to be pretty good. I think everyone agrees, and if we can at least make it simple, that would be very helpful.

About audits. We are crazy about audits. We love audits because we want everyone to believe at all times that every nickel is being spent for what it ought to be, even though it is an emergency program and even though we have asked everybody to get the money out very fast. So the Inspector General at FEMA is involved, GAO is involved, our own auditors are involved—that is private auditors are brought in—there is a fraud alert out all the time, and people are real mad—volunteers, locally—they are looking all the time to make sure that nobody fools around here.

Again, I reiterate my offer to come over and see the actual paper room in which all of the reports come back. I have asked the staff and they have prepared for you an actual listing, a graph or a sheet which indicates the paper trail. So for the first time we can get that in the record. And then I hope at least the staff will come over and look at it so that we have knowledgeable people on both sides as to what is happening, because I think that will reflect well as to what is designated in that section of S. 813.

I am sorry that there is not additional money in this bill, as there is in the House bill, for our Board. And additional $35 million was authorized over in the House side, and the Senate bill does not, because of your concern about deficits. There again, I do not want to make a plea, but I do.

I do not know how we can serve people with less. There is just no way. When you have a mom and pop church, black or white, that knows how to make mash potatoes and chicken and you ask them under this bill not to start a new program but to expand the amount of mash potatoes and chicken, we have to help them do that. They do it with volunteer services. There is no charge for their services. The bigger churches and synagogues are auditing for them, so they do not have to go into auditing. But we need the resources.

So we have got $100 million bucks—a little over $100 million going into this—for a billion dollar problem. And any money that we can have helps. So if there is some way in your wisdom you can see your way clear to match the House bill on it, the money will be well spent, we can guarantee you that. And it will be very helpful.

There is a lot comment on your case management, and I am not sure what the motivation of the case management section is, because a lot of the agencies with whom we have to deal, those 5,400 local voluntary agencies, are based on case management. That is how they deal with it. I have a feeling we could take care of this section in lots of interesting ways that exist already without a new section, the least of which can be in the proposals that come in from these local agencies through the local board to our National Board that a case management line be put in it, because they are doing case management already.

And I am worried about bureaucratizing this thing, and especially when you add on that much money to bureaucratize it, because money seems to be able to drill deeper holes for lots more bureaucratic response in that kind of case, and I would worry. If you are interested, on the other hand, to know about what is happening to people and to be able to direct them, I think we need to have you come out and visit some of the sights. Because that is what we are about.

The Salvation Army just does not feed people or house people. They have a whole counseling operation going on. Our agencies, Catholic agencies, any of the agencies working in the country are doing this already, and I am worried about taking resources that way if you do not have to. I know it complicates writing a bill fast, but writing a bill fast may end up with charges that we are throwing money at problems and not solving problems, in an odd way.

The distinguished Majority leader of the Senate, and you all have been strong in regard to your support of this effort. The Majority leader, for example, does not have one county in his whole State that has not received money from this program. We have more correspondence from local boards and agencies in West Virginia than almost any other State, except Ohio, in regard to participation in this program. And so I am hoping that the strength of his support and your support will continue unabated in regard to these questions.

There is one final comment I will make that really relates to each one of your States and every district within the State. It has now been estimated that 25 percent of the homeless extent in this country today result directly from having de-institutionalized the mentally ill in 1979 and 1980. I know that is not the purview of your Committee, that the health sections come with the purview of the other Committee, but it ought to be noted, I think, in your own language, because of the fact that while community based mental health programming was de-funded instantly as the first victim of Gramm-Latta in 1980, the direct result was creating 25 percent of the homeless in this country, many of whom, by the way, will have homes if they are counseled and treated for their mental illness.

So the irony of this is beyond description to a lot of people who work in this field. I am not the expert. I just tend to have conversations with those who are. And I think funding community based mental health programming will go a long way of solving a significant number of terrible tragedies that are on the streets of all of our cities right now.

The bottom line, I guess, is to thank you very much for your willingness to act speedily and to act well. As you indicated at the beginning, Mr. Chairman, this is not perfect legislation. I, in my 25 years of work on the Hill and my work with you, I have never found a piece of perfect legislation. I think I would go into cardiac arrest if I did, or maybe not recognize it.

What I am worried about here is the vast differences between the Senate bill and the House bill that might, in fact, inadvertently cause dramatic delays because of an inability to come speedily to agreements between the two sides. That is a grave concern, because the people that will be hurt, obviously, are the people we are trying to help. Thank you very much.

Chairman GLENN. Thank you very much, Mr. Talisman. Before we go to Mr. Moskowitz, Senator Chiles is here and wanted to make a brief statement here. He has some other commitments and will not be able to stay for the full hearing, but we welcome Senator Chiles.

OPENING STATEMENT OF SENATOR CHILES

Senator CHILES. Mr. Chairman, I want to commend you for calling the hearing today to address this tragic situation of homelessness in America. None of us wanted to believe that hunger and homelessness are possible in a great and compassionate Nation. Yet, we know that truth is undeniable.

My own State of Florida has as many as 10,000 folks that are spending the night on the street. We know that State and local governments can no longer provide the necessary services for this population, nor can the private organizations. So the seriousness of the problem demands the Federal Government's involvement, and that is what we are about. I am delighted to see the Committee holding timely hearings on this and moving toward a markup. I know the Majority leader has indicated that he hopes the Senate can take up this bill by Easter. The House has already passed a Homeless bill.

We are in the process of marking up the Budget bill and this afternoon we go to hearings on it. Mr. Talisman mentioned the conflicting situations that we find ourselves in while trying to make funds available and simultaneously recognizing that in the Budget bill itself, we are failing to take care of the needs of the nutrition programs, infant feeding programs, medical health programs for the elderly, and many other people that are out there.

So we find ourselves in a real crush situation in trying to make dollars available for what we know is a tremendous and important need, and we will be trying to work on all of those priorities as we deal with that.

I thank you for your hearings that you are holding.

Mr. Chairman, I have a further and more complete statement I would like to enter into the record.

Chairman GLENN. Thank you, Senator Chiles. It will be included.

Senator CHILES. Thank you.

[The statement of Senator Chiles follows:]

PREPARED STATEMENT OF SENATOR CHILES

Mr. Chairman, I want to commend you for calling this hearing today to address the tragic situation of homelessness in America.

None of us want to believe that hunger and homelessness are possible in this great and compassionate nation. Yet the truth is undeniable. In my own State of Florida as many as 10,000 folks are spending the night on the street.

Mr. Chairman, state and local governments can no longer provide all the necessary services for this population. Nor can private organizations. The seriousness of this problem demands the Federal government's involvement in helping those who have been left out and left behind.

Today the Committee will entertain comments on a bipartisan measure which I have cosponsored. As you know, Mr. Chairman, this legislation would create an Independent Interagency Council on the Homeless charged with the crucial task of coordinating Federal services and providing technical assistance to state and local programs. This Council would not only help us to better target those resources already allocated for human services, but also provide more information on the unique needs of the homeless community.

I am very pleased the Committee has scheduled this hearing and a timely markup on S. 813. The Majority Leader has indicated that he hopes for the Senate to take the bill up by Easter and the House has already passed a homeless aid proposal.

Swift passage of this legislation is essential to lessening the hardships of those in our society who need our assistance to pick themselves up.

Chairman GLENN. Mr. Moskowitz.

TESTIMONY OF JACK MOSKOWITZ, SENIOR VICE PRESIDENT OF GOVERNMENT RELATIONS, UNITED WAY OF AMERICA,[4] ACCOMPANIED BY IKE FIELDS, VICE PRESIDENT OF UNITED WAY OF AMERICA

Mr. MOSKOWITZ. Thank you, Mr. Chairman. As indicated, I have Ike Fields with me. He is a Vice President of the United Way of America and is the manager of the program for which we are the fiscal agent, and Ike is prepared to answer any questions on the management of the program that the Committee may have.

Chairman GLENN. Good.

Mr. MOSKOWITZ. Our Board considers this to be probably the best example of public/private partnership now going on in the country for the provision of services, and has supported this program since its inception in 1983 when the first appropriation took place. And I would like to deal, Mr. Chairman, with some specific provisions in your bill that we think are very helpful and that have been endorsed by the United Way of America Board of Governors.

It has three provisions important to the continued success of the program: One, is legislative authorization, two, an increase in the cap on the administrative costs from the current 2 to 5 percent, and three, a carryover provision on funds not obligated.

Though the program has received eight Congressional appropriations, it has never been authorized. S. 809 or 813 will give the program continuity and answer constitutional questions about the composition of the National Board. And I agree with Mr. Talisman, the simpler we can make the program the better. It is possible to work out the varying languages in all of these bills.

I want to emphasize that the United Way of America supports FEMA's active role on the Board and its assistance in managing the program. It would be unwise to lose their expertise and experience. The authorizing language proposed in your bill accomplishes this.

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[4] See p. 107 for Mr. Moskowitz' prepared statement.

The increase in the cap on administrative costs is essential, and I want to point out here that it is a cap. It does not necessarily mean that each provider agency would get to the maximum increase in the costs. All of the costs have to be substantiated, and Ike can speak to that process if you desire.

Carrying out the program has taken a heavy toll on the local providers who run the soup kitchens and shelters. In the initial appropriation, when it was thought that this was a one-shot program and needs would diminish, all the agencies waived the 2 percent allowable administrative costs. The United Way of America contributed approximately $300,000 to administer the program nationally.

Since that time the needs have increased. As a result the burdens on both professional and volunteer staff have risen exponentially. Our agencies report to us that they are now strained to the breaking point. They want the program to continue, but they believe that the 2 percent cap on allowable costs should be increased modestly.

The Urban Institute documented the actual costs to the agencies is almost 10 percent. The bill's carryover provision would allow the National Board to distribute over $1 million a year for food and shelter needs that previously had to be returned to the Treasury. These funds are unexpended usually because many small communities are unable or unwilling to participate, and in some cases the grant application does not meet National Board criteria.

The provision in the bill requiring shelters to provide case management service is laudable but may add unnecessary complexity to the program. The program's overwhelming success has been due in part to its simplicity. At present the majority of local agencies funded do provide some measure of case management services. An independent evaluation of the first two program appropriations by the Urban Institute found that the program has positively impacted delivery of human care services in local communities.

I might mention here, Mr. Chairman—it is not in the jurisdiction of this Committee—that United Way of America Board of Governors is seeking a minimum of a $200 million increase in the Social Services Block Grant. There is no question that there needs to be increased social services out there in these agencies. Whether it is this bill or the FEMA Emergency Food and Shelter Program that does it is another question.

In closing, I would like to say that the United Way of America does not see this program as providing a long-term solution to our Nation's problem of hunger and homelessness. We in the approximately 7,000 public and private agencies that provide services to the hungry and homeless see this program as important support while more permanent solutions are being developed. We increasingly hear that the problem of housing shortages, de-institutionalization of the mentally ill, and the continued high levels of unemployment in certain parts of our country are the major causes of hunger and homelessness. Such problems require well devised solutions.

And again, to repeat, one of the things our Board is interested in seeing done is an increase in the Social Services Block Grant that has been kept at a $2.7 billion level since 1981.

Thank you very much, Mr. Chairman.

Chairman GLENN. Thank you very much.

Mr. Kwiatkowski.

TESTIMONY OF DENNIS KWIATKOWSKI, CHAIRMAN, EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM, FEDERAL EMERGENCY MANAGEMENT AGENCY[5]

Mr. KWIATKOWSKI. Good morning, Mr. Chairman. I am pleased to appear before this Committee to report on a rare species of Government program. It is a program, that while keeping a deliberately low profile, is well known and respected throughout the country. It is a program that is temporary, in fact, unauthorized, but is now entering its fifth funding cycle.

It is both a public and private program which is based here in Washington but has its vital decisions made at the local level. The program I am describing is the Emergency Food and Shelter Program. This program was first established in Public Law 98-8, the Jobs Bill of 1983. Since that time, in 7 separate pieces of legislation, it has been inserted in appropriation bills on a regular basis.

Perhaps the most singular aspect of this program is that its goals, rules, and administration are carried out by the National Emergency Food and Shelter National Board. The Board is composed of a representative from FEMA as Chairman, and Bob Beggan, the United Way of America, Colonel Miller, Salvation Army, Mark Talisman, from the Council of Jewish Federations, Mary Cooper, National Council of Churches, and Brother Joseph Berg, from Catholic Charities, U.S.A., and Enzo Bighinatti of the American National Red Cross, who are designated by the Director of FEMA, Julius Becton.

With each round of funding, the Board establishes criteria to qualify jurisdictions in need of supplemental funding for feeding and sheltering work. The criteria is based on unemployment statistics provided to us by the Bureau of Labor statistics and poverty data from the Census Bureau.

We chose these indicators because they are generally available, nationwide in scope, and give us some grasp of economic dislocations that can result in a need for the funds we can provide. The Board believes it is important to set up some standards of need to insure that the funds for a nationwide program are generally targeted, but not spread so widely that they would have little impact.

What all of this means, specifically, is that for our last round of funding, during fiscal year 1986, the $70 million appropriated to the Board was distributed to about 1,800 civil jurisdictions in the country, which in turn allocated the funds to approximately 7,000 local voluntary agencies and local Governments. The heart of this program is local decision making. Local people decide who is on the Board, who receives the funding, the amount that is spent for food, the amount that is spent for shelter, and they also provide vital oversight.

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[5] See p. 117 for Mr. Kwiatkowski's prepared statement.

Please note, that this is a supplemental program. The local Boards are advertising available funding to expand ongoing successful programs rather than creating new ones. In this manner we are assured that the Federal funds are used for feeding and sheltering activities. By setting up this process, we believe we've put the decision making process into the hands of the people best able to make a fair and effective choice.

We have been running this program, in the manner I have described, since 1983. And when I say "we", I am referring not just to the Board and my staff at FEMA, but particularly to United Way of America. The United Way acts as the Board's fiscal agent, but that official terms does not begin to describe the great contribution the United Way has made to the success of the program.

So I will say together since 1983 we have distributed almost 220 million meals and about 58 million nights of shelter. In per capita terms, that amounts to about 75 cents per meal and a couple of dollars for a night's shelter. These results speak volumes of the respect for tax dollars shown by the National, State and local Boards. As previously mentioned, only 2 percent of the funding, by law, goes into administrative expenses, so there is no question as to where the money goes.

Central to the program is the abundance of imagination and resourcefulness at the local level. My staff and I have met with local Boards in Chicago, Phoenix, Minneapolis, Fort Worth, Seattle, and Springfield, Massachusetts, to name just a few. We have been pleased to find how often our funds not only are matched but also multiplied, and thus are leveraging, rather than replacing, local efforts.

We have been delighted to find that the very process of forming local Boards has resulted in new and vibrant coalitions at the local level. These groups have been able to share their insights, jointly target community needs, and avoid duplicative efforts.

The Emergency Food and Shelter Program was not solicited by FEMA, but was placed there by Congress. We are not a social service agency. We are not experts on solving the causes of hunger or homelessness. But we are equipped by our long history in disaster response operations to respond rapidly to emergency situations. We are able to create programs responsive to acute need.

Regarding the proposed legislation, and specifically Title III, I have the following comments. First of all, Title III changes the structure of the Board by making FEMA, the Federal partner in this program and the link in the process, an Ex Officio member. We question why the change is made and oppose any change in the National Board composition, membership, or selection of Chair.

Title III also does not provide any additional funds, only recognizes the appropriation of $45 million made just this February by Public Law 100-6. Finally, Title III proposes a new activity entitled case management. As has previously been mentioned, case management is already going on with the ongoing efforts and although a worthy endeavor, we seriously question its placement in the Emergency Food and Shelter Program.

The program has in its roots and in its philosophy centered on the emergency supplemental nature of its assistance. Case work and management is much more of a lasting ongoing function that in reality belongs in a program or agency that is directed at ongoing social work and its related problems.

In the President's Budget for fiscal year 1988 he has requested $80 million for this program at FEMA. Moreover, we would note that having FEMA's current program authorized for fiscal year 1988 would help us to significantly plan and expand upon the progress achieved to date.

We are proud of our work, and with the Emergency Food and Shelter Program and would be happy to see it continue. I would be happy to answer any of your questions.

Chairman GLENN. Thank you very much, Gentlemen. That was all good testimony. Some general questions, first.

Mr. Talisman, the Administration suggests the establishment of the Interagency Council will not improve on the HHS Task Force framework. Rather, they indicate that it would impose burdensome reporting requirements, increase bureaucratic red tape, and disrupt the lines of communication decision making.

Now, that is the last thing we want to do, but do you agree with that assessment?

Mr. TALISMAN. No, I do not. I meant what I said to you, Senator. I think that formally structuring a truly independent council with a mandate would be able to coordinate the activities in the country, and there is nothing wrong, I think finally, to have an annualized report from such an independent activity.

Chairman GLENN. Mr. Moskowitz?

Mr. MOSKOWITZ. I agree with Mr. Talisman. I once had an experience in my life with an interagency task force and I found it to be quite successful. It was chaired by the then Vice President, Hubert Humphrey.

Chairman GLENN. Let me preface my next question by saying that in no way do I intend to castigate or belittle the HHS Task Force efforts. I feel that given limited support and assistance they have done a credible job in beginning—I will repeat, beginning—to help us get a handle on the homeless problem. But having said this, how do you respond to the argument made by the Administration that there is no need at all for an independent interagency council because the current HHS Task Force performs all of those duties that are specified to go to the council in S. 813.

Mr. Moskowitz?

Mr. MOSKOWITZ. If I may, Mr. Chairman—I am now going back to my personal experience. It was during the War on Poverty, and I found that every agency of Government has some interest in these kinds of programs, and if you get strong leadership at that level you are going to get the attention of the varying departments. I, at that time, was in the Defense Department, and there was a search at that time for some temporary housing, and we then produced some and there was some that was accomplished. That was some time ago. It was in Mississippi.

I am giving that from my personal experience. I have found that those task forces work. A lot depends on the leadership, and we have good leadership at that point.

Mr. TALISMAN. I just think that, Senator, creating this Council in the manner in which you are proposing, jointly with the Administration, in essence, because the Congress legislates it, is helpful in and of itself.

Chairman **Glenn**. Mr. Kwiatkowski, I am putting you under the gun here a little bit in suggesting changes as a member of the Administration here, but would you see any difficulty in operating under the new organization that we are proposing here?

Mr. **Kwiatkowski**. Senator, if you are specifically referring to the Council, we have been participating with the HHS on their Task Force. If you are referring to the current manner in which the National Emergency Food and Shelter Board is established, the proposed piece of legislation does change that. It makes FEMA an Ex Officio member rather than a full member of the Board. We would wonder why that has happened and would oppose that very much.

We would see some difficulty in FEMA operating as an Ex Officio member as opposed to being the Federal link to the National Board process.

Chairman **Glenn**. Well, I do not know the answer to your observation. Maybe the staff can give me some advice here, but I would think that in your role here that it probably would be good for you to be a full participating member of that and not just an Ex Officio, unless there are some other reasons that I am not aware of.

How about the idea of moving some of these things to the regional offices? We have been toying with the idea of utilizing more activity out of the Federal regional offices to give technical assistance to States and localities and to structure and develop effective homeless assistance programs.

Would you favor that, Mr. Talisman?

Mr. **Talisman**. It depends, in all honesty. I think we would have to think through specifically what they should be doing in regard to the national program because of the nature of our program. The way the National Emergency Food and Shelter Program was so capably described by Dennis Kwiatkowski, I could see dovetailing the private sector local and regional operations with the program that you just mentioned. I might work, as long as there is somebody at the top directing it. If it devolves into a totally decentralized operation I think it would spin apart.

Chairman **Glenn**. Well, the idea is that one of the things you run into is that people out in local areas sometime have no idea who to contact at the Federal level. And if they write a letter in to me or something, well, I can refer it to the right people here in Washington, but it would seem that if we are going to really address this thing, it could be done by giving some authority to people in the regions who know the situation with their regions and make a coordinating function there too, under the national organization, rather than having to have everything just go straight to Washington with regard to the homeless.

Mr. **Talisman**. I could see, for example, if we were to add the responsibilities of all the surplus properties, that that alone would be worthwhile having the kind of organization you talk about. We knew, for example, that there is a capability computer-wise to bring local agencies on line with regional offices to determine what physical availability there was of surplus properties. If we were to have a regional agency involved in that, that would be extremely helpful.

By the way, we tried to do that and it fell apart mysteriously, at the Defense Department. So having the Council would be very helpful in that regard, also. So if there were specific things to do that could be servicing local agencies, that would be very, very good.

Chairman GLENN. Mr. Moskowitz, you mentioned the case management situation. FEMA-supported shelters are now spending about 75 cents per meal and a couple of dollars a night for shelter. That appears to be the minimal level of support.

Who pays for the case management activities currently being provided to shelter residents?

Mr. MOSKOWITZ. I will try and answer that, but maybe Mr. Fields might have some supplement. The present case management is part of the ongoing agencies. Most of the agencies, especially those affiliated with the United Way, whether they be large organizations like Catholic Charities or Jewish Federation or Salvation Army, have social work components and do social work. That is one of their primary functions, so that is paid for out of the private sector contributions, or maybe impartially out of Federal and State funds.

That is why I talked about the Social Services Block Grant. A lot of those services are provided in this mixture of private and public funds through the Social Services Block Grant. Again, it is my feeling that that is the place that this should be dealt with. Perhaps Ike has got something to add.

Chairman GLENN. Mr. Fields, do you want to comment on that?

Mr. FIELDS. I think Jack has covered that pretty well, Senator. I do not need to add anything on that.

Mr. TALISMAN. There is another direct answer, also in a lot of places, Senator, it comes from private voluntary contributions, the infrastructure of the local private agencies. And I think the import of what you are saying is they area stretched.

Mr. MOSKOWITZ. If I may just add one other comment on that, Senator. What we have done, we have a Project Flagship in our office which does research in the matter of where social services are funded, and it is about one-third Government funds in the provision of social services. Two-thirds are private charitable contributions.

Chairman GLENN. Thank you. Mr. Kwiatkowski, it has been suggested that a rollover provision to allow the retention of excess Emergency Food and Shelter grants be included in this legislation. Do you think that is a good idea?

Mr. KWIATKOWSKI. Yes, Senator, I do. I think the primary thing would be authorizing the program. The problem we have had in the past, since it has been a program that has only come through appropriations measures, is that there was no plan for the future. And consequently, being a emergency program, the funds were targeted and had to be spent within the fiscal year.

Chairman GLENN. How much are we talking about?

Mr. KWIATKOWSKI. As far as rollover on a fiscal year basis?

Chairman GLENN. Yes.

Mr. Kwiatkowski. Well, the history has been about a $70- to $90-million appropriation, but as far as rollover, I do not think that any more than perhaps 10 percent of that would rollover into the next fiscal year. The funds are emergency and they are used throughout the year. But there comes that time when good planning of funds cannot be accomplished because they need to be spent within that fiscal year.

Chairman Glenn. It would not be a huge sum of money, speaking on the federal level, anyway.

Mr. Kwiatkowski. I do not believe so.

Mr. Fields. Senator, if I might. I would estimate it would probably be substantially less. We have had programs that have been as brief as five and a half months, and that has put people up against the wall trying to utilize all of those funds. But I would think if we are talking about anything near a year around program we are at most, maybe in the $2- to $3-million range as a rollover amount.

Chairman Glenn. Well, okay. That is what we are trying to avoid, this boom or bust. You appropriate some money and everybody runs out at the end of that fiscal year so they use it all up at the last minute. I think in this particular case, homeless assistance, I do not think there is any doubt it could be used advantageously whenever it comes up, but maybe it would be spent less efficiently than if we did a rollover on it for whatever the comparatively few dollars would be left over at the end of the cycle.

Mr. Kwiatkowski. The rollover may become a moot point if it were an authorized program.

Chairman Glenn. Let me ask you about the Local Recipient Organizations, the LROs. Some say that they should be included along with community action programs as preferred distributors of grant money. Do you think that is advisable?

Mr. Kwiatkowski. Of our grant money?

Chairman Glenn. Yes.

Mr. Kwiatkowski. The Local Recipient Organizations are private voluntary organizations. There are also CAP agencies participating. I do not have the exact number of CAPs participating, but I believe it was——

Mr. Fields. It is about a little over 400, Senator, and Dennis, if I might, in the last program received funds directly through this program. And I think that totaled about $8 million out of the last appropriation.

Mr. Kwiatkowski. It is a joint effort, I guess is what we are saying. There are CAPs participating, local units of Government, and private voluntary organizations.

Mr. Talisman. I think the key piece, though, Senator, is that it is local decision making as to who gets the money, not national. They tell us who they want to have the checks cut to.

Mr. Moskowitz. If I may, on that, in the initial appropriation of this program there were two separate programs, including one that went through the States, and it became clear that this method, according to the local decision making process as was described here, was the much preferable method. The other method was slow and the money did not get out there. And I gather from Ike and everybody, the agency, whether it be private or public, that was providing the service on site—and the local people know that—those are the agencies who get funded.

Chairman GLENN. Thank you, Gentlemen, very much. We do have other panelists here we have to get on to. I wish we could continue, but I hope that if the other members of the Committee or their staffs have questions, you could respond to those in writing so we can include those in the Committee record. I appreciate you being here this morning.

Let me just reiterate one thing I said at the outset here. Our particular piece of this legislation concerns its organizational aspects. We are not passing judgment on the budget in this Committee. The whole thing has been broken up. I believe there are 4 different packages that have gone to different Committees. We are particularly concerned with the organizational aspects of it here.

I have a predisposition not to form additional councils or committees. That is the traditional Washington way of overcoming a problem. You supposedly form a new committee or commission or council or something, and that is supposed to coordinate things and everything winds up better, and it usually winds up worse with a newly-established bureaucracy that does no good.

But that does not predispose me against this particular piece of legislation. I think this problem is so complex and involves so many different departments that I certainly am not opposed to seeing if this can be done more efficiently by a new council. If so, I certainly am going to be for it. On the other hand, we do not want to form a council just to replace a task force to replace a committee to replace a group to replace a something else, because that does not really solve the problem.

The idea is to get money to the people who need it, or help to the people who need it, and I am particularly sensitive to the one concern that I believe you mentioned, Mr. Talisman, the mental health aspects.

I have been inquiring into that a little bit and I think there seems to be rather general agreement that, through a number of studies and observations, I guess, the numbers of people out there that have mental problems are somewhere between 30 and 40 percent—35 or 40 percent of the people involved, and a much higher percentage of the women involved have some mental problems, perhaps up in the 60 or 70 percent range.

The men, about a third of them have some mental health problems. It would seem to me that whether it is this legislation or other legislation, such as Senator Domenici and others have proposed, that we have to address this key area, first and foremost. When you have cutbacks in mental health funds and turning people out of where they should be getting treatment, that is a good place to start if it comprises a large percentage of the homeless program.

I will not ask for comment because we do have to move on, but it would just seem to me that that is common sense to do it that way, and I think that was your indication earlier in your testimony.

Thank you very much, gentlemen, I appreciate it.

The next panel will be the one that was listed as number 1 here, Maria Foscarinis, Washington Counsel for the National Coalition for the Homeless, Debora Kramer, Executive Director for the Committee for Food and Shelter, and they are accompanied by Clifford Alexander, Jr., Vice Chairman, Committee for Food and Shelter.

We welcome all of you to the hearing this morning and we will look forward to an abridged version of your testimony or the complete statement. In any event, the testimony in its entirety will be put into the record.

Ms. Foscarinis, could you start off for us please?

TESTIMONY OF MARIA FOSCARINIS, WASHINGTON COUNSEL, NATIONAL COALITION FOR THE HOMELESS

Ms. FOSCARINIS. I would be glad to, Senator. First of all, Mr. Chairman, thank you very much for your interest and your support. We desperately need both.

I must start by reporting to you the extent of the need. The facts are very grim. It is no exaggeration to say that today in America homelessness has reached crisis proportions. We estimate that up to 3 million persons are now homeless in America. We know with certainty that the numbers are increasing at alarming rates. We also know with certainty that the fastest growing among the homeless population are families with children.

What these facts tell us is simply this. For the first time since the Great Depression America is now facing widespread mass homelessness. Homelessness is now affecting all parts of the country, not just the big cities, but also towns, suburbs, and rural areas. It is affecting all parts of the Nation's people, not just the stereotypical bums, but families, veterans, the elderly, and children.

Most significantly, what these facts tell us is that today in America we are permitting growing numbers of men, women, and children to go without basic resources that we know are absolutely necessary to human survival.

These facts also reflect an unbearable day to day reality. We know that the resources available nationwide are not sufficient to meet even the barest emergency needs. No one disputes this. Even the Reagan Administration admits that the number of emergency shelter beds nationwide can meet only a fraction of the need.

Again, no one disputes that the need for emergency shelter beds is particularly not being met for homeless families. What this means is that around the country, night after night, as we have heard this morning, shelter operators must turn away requests for emergency shelter. It means that homeless families must either split up to get a cot for the night or go without any shelter at all.

I think it is important, Mr. Chairman, to focus for a moment on the nature of the need at issue here. I think it should be a matter of shame and embarrassment here in the United States. We are talking about emergency shelter. We are talking about primitive survival needs. We are talking about a bed to sleep in. We are talking about resources that any human being living in a society that claims to be civilized should be able to count on.

Given these facts, it is astonishing to hear from you this morning that there is opposition to your legislation. Indeed, the legislation that is now pending in Congress, the entire bill, the Urgent Relief to the Homeless Act, begins to address the needs of homeless Americans. It is a beginning. It contains nothing superfluous. It contains provisions to provide minimal survival resources to those Americans who are both desperately poor and the most visible symbols of poverty in contemporary America.

The bill now before your Committee contains important pieces of the larger bill. I can quickly summarize the urgent need for each. The interagency council would for the first time create a serious Federal entity to address homelessness. I do not believe that it is creating another Federal bureaucracy.

There is a need for an independent council.

We know that existing Federal programs fail to assist the homeless poor, in part because the agencies that administer them do not take the steps needed to reach the homeless. The homeless are literally shut out. In fact, we are now in litigation with a number of Federal agencies for this very reason. An independent council which would monitor the agencies and ensure that their resources were used to aid the homeless poor is a sensible and needed use of resources.

The FEMA program is obviously desperately needed. We have already heard that this morning. It provides some minimal funding for the bare essentials of food and shelter.

The surplus property provision. Again, the use of surplus property is an obviously cost efficient and clearly sensible use of existing resources. It could provide desperately needed help.

I must note with dismay that no funding is provided for that section. This lack of funding is a very significant and alarming departure from the House version of this section and it severely threatens the efficacy of the provision. This lack of funding cannot in good conscious be justified.

The amount suggested by the House version and completely missing from your version is $75 million. I understand that there are budget concerns, but I must say this, the amount we are seeking is minimal. It is extremely modest. What we are seeking it for is very basic. It is emergency shelter. It is a place to come in from the cold. It is a place for people who are literally now on the streets. It is a bed for a homeless child to sleep in.

The need is so great, so desperate, and the request is so almost pitifully modest it should be, although apparently it is not, a matter of some embarrassment for the United States Senate to be seeking to cut corners by taking away those basic resources from those most desperately poor Americans, and from those most politically powerless as Americans.

This is something that should not happen. There is a lot of talk these days about the private sector and its responsibility to the poor. Mr. Chairman, we are the private sector. We are straining and we are struggling and we cannot by any stretch meet the need. We are the private sector and we are all working at extreme personal sacrifice. We cannot do it alone. We need your help.

I would like to end my statement by saying this, in addition to my work at the National Coalition I volunteer at a legal clinic at the largest men's shelter here in town. I was at the clinic again one night last week. One of the men who came to see me stood out. He had been at the shelter for some time. He was willing and able to work. He was desperate for a job and he was desperate to get out of the shelter.

He asked me to help him. As a lawyer at the clinic there was little I could do. This was not truly a legal problem, but I listened. I could not turn away the plea for help. I said I would do whatever I could to help him.

I am here before you today to make that plea to you and your colleagues on the Committee and in the Senate who have the power to help that man and to help the hundreds of thousands like him around the country.

I cannot go back to him and tell him that there is nothing that the United States Congress can do to help. I cannot go back and look that man in the eye and say that. I am sure that you, Mr. Chairman, could not do that, and I sincerely doubt that any Member of the United States Congress could do that. I hope that I will not have to.

Chairman GLENN. Thank you very much. I share your concerns, too, about the amount of money involved here. We do have budgetary concerns, but we also have human concerns. The fact that this particular Committee is not taking up that money matter does not indicate a hard-heartedness on my part nor the Committee's. It is just that that is the province of another Senate Committee. It is their responsibility to look into that and balance that off against other things in the budget, as Senator Chiles indicated earlier here.

Our particular area that we are charged with looking into is the organizational aspects. I hate to keep repeating that, but I just want everyone to understand that.

Ms. FOSCARINIS. I just wanted to add, I did not mean to doubt the sincerity of your commitment, Mr. Chairman.

Chairman GLENN. I understood that. I just wanted to make sure everyone understood.

Ms. Kramer, go ahead.

TESTIMONY OF DEBORA D. KRAMER, EXECUTIVE DIRECTOR, COMMITTEE FOR FOOD AND SHELTER, ACCOMPANIED BY CLIFFORD L. ALEXANDER, JR., VICE CHAIRMAN, COMMITTEE FOR FOOD AND SHELTER[6]

Ms. KRAMER. Thank you, Mr. Chairman. With me today is Clifford Alexander, who is the Chairman of the Committee for Food and Shelter.

Chairman GLENN. And we welcome Mr. Alexander. We have known him for a long time. He has been before the Committee in the past and always gives expert testimony when he comes up here. He is a former Secretary of the Army, but his interests go far beyond that in community services here; he ran for mayor in the District one time, which indicates his interest in what goes on with the City, and we are glad to have him come with you this morning.

Ms. KRAMER. As we have heard this morning, the homeless population is a very diverse one. The reasons behind individuals homelessness are as diverse as the population themselves. That diversity is reflected in the legislation under consideration by this Committee this morning. It is a multifaceted piece of legislation. It touches on many aspects of the problems of homelessness.

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[6] See p. 120 for Ms. Kramer's prepared statement.

I will restrict our testimony today to the titles that are before the jurisdiction of this Committee, though we have commented in our written testimony on other portions of the bill.

We agree with the bill's finding that the current response by States, units of local Government, and private voluntary organizations has been unable to stem the growth in the numbers of homeless across the Nation. The problems are truly critical. Private agencies have mobilized their resources and are working together in greater numbers than at any time since the great depression of the 1930's, and they have made a difference.

They are providing food and shelter, emergency services, to many more who are homeless than in previous years, but in spite of that the numbers have continued to grow. We believe the Federal Government has the responsibility and the capacity to exert its leadership to provide a more cohesive response to the problem. To that end, therefore, we support Title I's provision for the establishment of an interagency council composed of the Secretaries and Administrators of the key Federal agencies that have jurisdiction over the programs germane to the problems.

We believe the need for such an independent entity as the council exists. We recommended the creation of a coordinating group some years ago, and we believe the work of the current Federal Task Force has been hampered by its lack of official sanction and the fact that its membership does not consist of people at the highest levels of the many departments whose work is germane to the problems at hand.

We support the functions of the interagency council as set forth in Title I and in other Titles of the bill, but we question whether an authorization of $200,000 is sufficient to carry them out, particularly when the council has been charged with approving homeless assistance plans as specified in Title IV and evaluating job training demonstrations created by Title VII. We applaud the fact that its mandate includes provision of national technical assistance, but we think with an authorization of $200,000 it would be very difficult to carry out the functions as specified in the legislation.

We would like to spend a little bit of time addressing Part C of Title III, the case management component of the bill at hand. The bill authorizes $20 million for the provision of case management by all of those agencies who have been supported by the FEMA Boards.

Now, the number of those agencies is somewhere—at least in 1986—was somewhere in the neighborhood of 7,000 individual programs. Twenty-million dollars divided between or among 7,000 programs does not provide a great deal of additional monies for the provision of case management. So we think that case management is clearly indicated, is clearly a function that is required we think, that with a $20 million provision, that some better provision for dividing up that $20 million might be made.

We think that the mandate for case management services to include social services and income maintenance programs, is not sufficient. We think that case managers in the Emergency Food and Shelter Program also ought to be charged with providing for or seeing that there is access to health and mental health and substance abuse services.

That really is what we have to say about the first three Titles of the legislation. We support the raising of the cap on administrative costs from 2 to 5 percent under the FEMA legislation, and we support that fact that finally the FEMA Boards will be authorized in legislation.

Chairman GLENN. Thank you very much, Ms. Kramer.

Mr. Alexander, I know you came along as an expert witness, but you are Chairman of this organization. Do you have any words you want to add here before we get to our questions?

Mr. ALEXANDER. Thank you, Chairman Glenn, and Senator Roth. I am here in support of Debora Kramer's testimony.

I did have one thought, and knowing of your and Senator Roth's devotion to a full provision of Government services for the people of this country, that to get more from the Executive branch, when you recommend an interagency council, perhaps the way to do that is to require that the Secretaries and Administrators themselves attend, say, the first 3 meetings, so that there is full attention given to the purposes of the legislation, if indeed it is passed.

One of the criticisms, I think, of the past is that there has not been the attention at the highest level. This will cause people to give it that attention.

Chairman GLENN. Thank you very much.

Ms. Kramer, the $200,000 for the council is only for fiscal year 1987—that is, the remaining part of this year—and there has been no specific authorization level set for fiscal year 1988. One figure suggested has been around $2 million. Do you think that would be sufficient?

Ms. KRAMER. It is hard to say. This legislation truly gives a very broad mandate to the interagency council, and certainly if that mandate is truly to be carried out it requires some staff. I have also heard some talk about having comparable councils established in the 10 regional offices, and if so, perhaps a $2 million authorization would do it.

Chairman GLENN. Ms. Foscarinis, you say in your testimony that the nationwide survey of homelessness found a 25 percent average increase in the number of homeless persons in the last year alone?

Ms. FOSCARINIS. That is true. That is for 1986.

Chairman GLENN. Now, are we counting better, or what happened? If we are using the same basis for counting that we had before and we have had a 25 percent increase in one year, something drastic happened.

Can you give us any advice there, because that might indicate to us how we can organizationally put things together to approach this problem here. Are those valid figures or are we just counting better now than we did before?

Ms. FOSCARINIS. No, I think those are valid figures. They are estimates. It is hard to have truly accurate numbers when we are dealing with homeless people. The 25 percent is a valid estimate of the nationwide rate of increase.

Chairman GLENN. Well then, what happened in one year's time?

Ms. FOSCARINIS. Well, first of all, I would have to point out that this is not unusual. There was a similar increase in the previous year. I do not think it is that we are counting better, I think it is that we have been seeing a steady growth over the past few years in the Nation's homeless population. I think there is no mystery as to the reasons, Mr. Chairman.

We have cut back our housing programs drastically. The lack of affordable housing is the leading cause of that kind of mass homelessness we are seeing today. Housing programs have been cut over 70 percent in 6 years alone. They have been massively de-funded.

Chairman GLENN. But how much of those housing programs would have provided housing for the homeless? They do not have money enough to have a house, even it is built for them.

Ms. FOSCARINIS. Well, that is correct. But those who have become homeless oftentimes, particularly families who become homeless, become homeless as a result of losing their apartment or their house and not being able to find a new one that they can afford.

They get on waiting lists for subsidized housing and they remain on those waiting lists for years. What happens to them while they are waiting? Well, they double up, they triple up, they live in their car, and eventually they end up on the street or in an emergency shelter.

Chairman GLENN. Ms. Kramer, you say in your testimony, and you just said that you would like to see the administrative costs go from 2 percent to 5 percent. Is that adequate? You obviously feel that would be adequate. I am concerned about creeping administrative costs here. We do not want to start up a track here that is going to syphon more money off into overhead rather than to getting it to the people that need it.

Ms. KRAMER. No, it has been set at 2 percent and what we have heard from some of the agencies is that they are struggling at 2 percent, and now this legislation has a cap. The House bill also has set the cap of the top administrative reimbursement at 5 percent.

Chairman GLENN. Are there any studies that show that 5 percent is what is needed, or is that just a figure that moves it up from 2 and we are not really sure?

Ms. KRAMER. I have not seen any studies that say that 5 percent is what is needed.

Chairman GLENN. In other words, if we went to 3, is that liable to be adequate, or 4, or 5, or did we just pick 5 because it is a doubling of the administrative costs—or a little over that?

Ms. KRAMER. I do not know where the 5 came from, actually, although I suspect that the agencies were asked what a maximum administrative overhead costs might be.

Chairman GLENN. Well, 5 percent for administrative costs would not normally be considered out of line.

Ms. KRAMER. That is correct.

Chairman GLENN. I was not being that critical of it, but I just wondered if there was a basis in fact or did somebody just pick 5 percent and go for it.

Ms. KRAMER. I have a feeling that maybe the latter is true but I cannot verify it.

Chairman GLENN. It would not surprise me at all.

Senator Roth?

Senator ROTH. I have only one question. Along the same lines, Ms. Kramer, you state that $200,000 for the current fiscal year is not enough, but it is my understanding that this is in addition to the $300,000 which has already been appropriated to the Task Force in the current fiscal year.

So, what would be your judgment? Do you think that this additional $200,000 would be enough to get the new council off the ground in the remaining 4 months?

Ms. KRAMER. Well, the interagency council is really structured quite differently than the Federal Task Force is at present. So it is almost a question of apples and oranges, because the functions as specified in this legislation, not only in Title I, but in Titles IV and VII, for the interagency council to tackle are really substantially greater than the functions being carried out presently by the Federal Task Force.

Always start-up is required for any new entity and what we are talking about is a different entity, not necessarily completely new, because the Task Force has been in existence for the last couple of years. So perhaps $200,000 would be sufficient for the remaining 4 months of fiscal year 1987.

I would like to amend the statement about the origin of the 5 percent in administrative costs. I am told by Ike Fields that the Urban Institute has documented administrative costs of 10 percent. Five percent, actually, is exactly half of what the administrative costs actually have been to administer the program over the past couple of years.

Ike says that he has copies of the summary of the Urban Institute report and if the Senators would like, we can enter those summaries into the record documenting what those costs have been.

Chairman GLENN. Thank you very much. Were you finished, Bill?

Senator ROTH. Well, I did want to ask Ms. Foscarinis a further question on the jump of 25 percent in the number of homeless. If I understand what you are saying, basically that is an educated estimate?

Ms. FOSCARINIS. It is an estimate but it is not an educated guess. It is an estimate based on our contacts with thousands of service providers around the country, and it is an estimate based on speaking with them and getting from them the increases that they have faced over the past year.

It is easier to estimate increases in the homeless population rather than absolute numbers, because you can speak to someone who runs a shelter and they will tell you that they are full up in August for the first time in their years of operation, that they are turning away double the number of people that they turned away the year before. So those estimates of the rate of increase are relatively easy to come by, and I feel that they are relatively accurate.

So 25 percent is not an alarmist figure, it is a true figure. And I have to add that it was confirmed by a second independent study performed by the U.S. Conference of Mayors which surveyed a different set of cities then we surveyed and came up with a 20 percent increase. So 20 to 25, I think, is a very firm figure for the rate.

Senator ROTH. That is all the questions I have.

Chairman GLENN. Thank you, Senator Roth.

As far as administrative costs, I believe Mr. Talisman, who was our witness a little while ago, indicated that administrative costs, they felt, were about 11.5 percent, and I did not get into questioning with him on how they based that. Eleven and a half sounds very precise and definitive, so it must have been based on some study or other, but we will have to get back to him on that, and I would suggest that that would be one of the questions we submit to him to the staff.

Thank you very much, both of you. I appreciate your being here and I appreciate your testimony this morning.

Our next witness, Panel 3, is Dee Roth, Chief, the Office of Program Evaluation and Research, Ohio Department of Mental Health.

Senator ROTH. Mr. Chairman, while she is coming forward could I just make an observation or two?

Chairman GLENN. Certainly.

Senator ROTH. First of all, I want to thank you for holding this hearing, and while I generally support S. 813, the portion of the Omnibus Homeless Legislation referred to this Committee, I do have some serious reservations about the overall price tag of the omnibus bill as well as some component parts.

I appreciate and want to thank all of our witnesses for agreeing to testify today on rather a short time period, but I also want to point out that when I reviewed the witness list for today I noticed what I consider to be a rather glaring omission, and that is the absence of a representative from local Government. For that reason I contacted the National League of Cities to request a statement for the record, which I will be submitting.[7]

However, since I believe the views of the local Government entities are so important to this issue, I would like to highlight the major points of their statement at this time.

First, assistance to local Governments to aid the homeless should not be traded off against community development block grants. Second, the Omnibus bill would require cities to deal with 4 different agencies in order to obtain this assistance for the homeless, and the amount authorized will be reduced by the amount of administrative costs attendant to running these programs in those agencies.

Third, the application process is so complex it will likely take the State a long time to comply with the requirements, thus delaying the aid to locality. Fourth, by requiring case management as a worthy and desirable goal, it will almost be impossible to accomplish, both logistically and financially.

In sum, Mr. Chairman, our bill will be folded into a bill which will create more bureaucracy at the expense of aiding the homeless. Concerns expressed by the League of Cities reinforced my view that the Governmental Affairs portion of the Omnibus Homeless bill seems to be the most appropriate course of action at this time and for that reason I am interested in hearing the comments of our witnesses on how our bill can be better focused to meet the need for intergovernmental coordination in helping solve the homeless problem.

Thank you, Mr. Chairman.

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[7] See p. 150

Chairman GLENN. Thank you very much, Senator Roth, and I share your concerns that we are not just papering over a problem by setting up a new council, committee, or some new oversight group that does not have any more authority than what we are replacing. If this does not have more authority it is not worth doing. And I think that is an important factor to be brought out, and that is one of the things we want to make sure happens in this bill if it is to pass the Committee and be recommended to the full Senate—that we are better able to do the job with regard to the homeless by this reorganization.

Ms. Roth, we appreciate your being here this morning and we look forward to your testimony, either in a summarized version, or in any event, your entire statement will be included in the record.[8]

TESTIMONY OF DEE ROTH, CHIEF, OFFICE OF PROGRAM EVALUATION AND RESEARCH, OHIO DEPARTMENT OF MENTAL HEALTH

Ms. ROTH. Good morning. I am Dee Roth. I am Chief of the Office of Program and Evaluation and Research, in the Ohio Department of Mental Health. I am pleased to represent the Department and the State of Ohio this morning to present testimony to the Committee on Senate Bill 813.

Ohio has had a relatively long history in developing policy and services that are responsive to persons who are homeless or who are in danger of becoming homeless. My own participation has been as a researcher, primarily. I have been principal investigator on a research project that was funded by the National Institute of Mental Health, that is the largest and the most comprehensive study on homeless individuals in the country to date.

I have been fortunate to have had the opportunity to present the results of the research to policy makers within Ohio and in a number of other States and national forums as well. I am pleased to say that Governor Richard F. Celeste and the Directors of Cabinet Agencies in Ohio in the area of human services have been interested and responsive to the problems of homelessness and in particular to what we found in our research.

We have accomplished a great deal in Ohio on behalf of homeless persons and I am happy to have this opportunity to present our thoughts about this Act to an Ohio Senator as Chairman of the Committee, and to the other members of the Committee.

I have been asked to comment specifically on the first three Titles of the legislation which is being considered by this Committee today. The first Title pertains to the authorization of an interagency council on the homeless composed of a number of agencies who are currently members of the HHS Task Force.

I applaud you in taking that step, as we have done in Ohio through the development of an ongoing Cabinet cluster. It is composed of representatives of human service agencies whose activities in any way involve homeless persons. I think that such a policy group is necessary at all levels of Government if we are to effectively put together both short term and long term solutions for homeless persons.

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[8] See p. 132

One of the most startling findings in our research was that there was lack of knowledge and a lack of agreement among service providers at the local level, both about the nature and the extent of homelessness in their communities.

The kind of shared knowledge that can come from an interagency council such as you propose can be a first step in dealing with fragmentation, overlapping responsibility, and gaps in services to this population.

Perhaps the most important conclusion that can be drawn from our study is that homelessness is a complex and a multifaceted problem, for which no one sector of the system is primarily or totally responsible. Therefore, it is crucial that all the sectors of the system come together as a group to play their appropriate parts in developing solutions.

Title 2 refers to surplus property. It indicates that each Federal agency must identify excess property under its control as suitable either for shelter or for services to homeless individuals. While we feel this Title is important as written, it does not refer to the ability to use surplus property, if it be land, to help build permanent single-family or multi-family housing units that are so desperately need in our communities. I would urge the Congress as well as the eventual implementors of this legislation to consider such an opportunity.

Title 3 pertains to FEMA provisions and to case management. Let me first speak to the FEMA provisions. Again you have seen the wisdom of bringing together a national board as well as local community providers and funders and interested citizens into a collective effort for decisions to be made regarding the allocation of resources. I would hope that you would also call for a similar activity at the State level in so far as this is possible within these provisions.

Most States have at least some activities on behalf of homeless persons going on at the State level and it would be important to have these activities coordinated with those of the local boards.

Your statements with respect to the local boards providing shelter and related services with emphasis on assisting the transition from temporary shelter to permanent homes is vital. I would urge you to strengthen wherever and whenever possible the emphasis on permanent homes and innovative methods to achieve such.

It might seem fairly obvious from a study on homelessness, but probably the first finding in our research is that 100 percent of our subjects did not have a permanent and stable place to live, and that is something that I would urge the Committee not to lose sight of in its deliberations on this legislation.

The second part of Title III with respect to case management again is a commendable provision. However, conducting research in the area of case management in Ohio, I can tell you that there is a high probability for fragmentation to exist if there is more than one case management system operating in local communities. That can be a source of a waste of valuable resources.

A very brief story illustrates my point. Our Department held a forum in Cincinnati last year on how to improve services. A young man who was mentally ill in the audience got up and told us that he thought it would help services if he did not have to break in so many new case managers in some of these systems. I think his admonishment should pervade our thinking when we make arrangements for needs for individuals in shelters or in other homeless situations that might not match their needs.

I want to emphasize that this is not to say that case management is not a needed service, because it is, but only to say that it is a very difficult endeavor. It is a complex task and if it is not done well it can exacerbate the problems that homeless persons are already facing.

We would suggest that here, more than in any other part of the language that you are considering, you need to have a State and local partnership, because many of the State level organizations are the ones that are responsible for case management to some special populations.

Let me close by saying that we applaud all the efforts in all the Titles of the Urgent Relief Act, including the three that we are considering here today, and I would like to finish with just two comments that pertain to all the Titles, including these three.

We have conducted some very policy relevant research in Ohio, first with the homeless population, and more recently out of a housing task force that we put together in the department to help us set policy on housing needs of persons with mental illness. We did find the needs to be complex and multifaceted, but we also found that the single most pervasive life circumstance facing the person with mental illness who was in danger of losing their home or was homeless, is that they had very limited income.

The average annual income for a person with mental illness in the State of Ohio is $2,000. Without adequate income support, housing remains a pretty vague reality.

Secondly, we found a major and a growing need for permanent low-income housing. Regardless of a variety of other needs facing homeless persons, the issue of permanent housing is our major obstacle. We have found it interesting that de-institutionalization of persons with mental illness in our State took place primarily in the late 1960's and the early 1970's, yet problems of homelessness did not emerge as a major issue until the early 1980's.

We submit to you that although we need the temporary provisions that are in this legislation, the evidence is clear that we also need permanent and long term solutions.

I would like to thank you and I appreciate the time, Mr. Chairman, that you have given me to speak to these issues, and if you have questions I would like to try to answer them.

Chairman **Glenn**. Thank you very much, Ms. Roth. Let me get to your last point there briefly, too.

We asked a previous witness, and I am sure you heard, about this estimated 25 percent increase in homelessness in the last year. First, do you find that that is a valid figure in Ohio? And is this just that we are counting better, or has there been that kind of an increase. Because as you point out, we have deinstitutionalized a lot of people that make up as much as 40 percent of the homeless group.

We did that in the 1960's and 1970's and yet this big homeless problem seems to have evolved as a national crisis in the mid-eighties. So there is a delay here. Cause and effect maybe is not right. It does not look quite as clear, at least for part of it.

The first question, do you think that your figures in Ohio reflect a 25 percent increase in the last year? And if so, why?

Ms. **Roth**. Well, let me preface my remarks by saying that researchers, being methodologists, are very cautious about answering questions like this. There really is not—as I think the previous speakers pointed out—a sound, valid, proven way to count every single homeless person. We literally do not know how many there are.

All of the studies that will give you numbers are in fact estimates, and they use different kinds of techniques to estimate and they use different kinds of people to provide the estimates.

We did not approach, in our study, the issue of how many there are, because we felt that the more important questions are: what are they like, what do they need, what are their problems, as opposed to trying to do some kind of count.

Chairman **Glenn**. What are your estimates, though, from different urban centers in Ohio, in particular? Have your figures for requests for help—and they are based on a certain figure—have those figures gone up 25 percent in the last year?

Ms. **Roth**. The only thing that I can tell you from our study specifically is that we asked our key informants whether they felt the numbers were increasing, and they all said yes. They gave us very different set of estimates, by the way, and that was one of the things that we found which surprised us. Even the key informants, or people who should have been knowledgeable key informants in the communities, did not necessarily have the same answer.

Chairman **Glenn**. Well, do you have a figure that you would give us for Ohio—your personal view, whether it is based on something or not—just your view of the situation? Do you think it is increased by 25 percent or 50 percent or no increase?

Ms. **Roth**. I do not feel comfortable in giving you a percentage, because first of all we really did not deal with that issue. Everybody that I have spoken with, when we have gone out and talked about our findings to the people and the policy makers in Ohio, has said that, there is clearly a substantial increase. I am just not comfortable in saying that 20 or 25 percent is correct.

Chairman **Glenn**. Okay, fine. One of the causes you suggest is just a matter of people in this category needing income support. That gets us over into a whole different area. I do not know how you just support incomes without going to a negative income tax or something like that which has been proposed in the past. So that is a most difficult area to deal with, obviously, and not one that I think is likely to pass Congress anytime soon, at least. But it is good that you pointed this out.

One other thing in this, the GSA you say—if this bill goes through and we want to make GSA facilities available—you bring up a good point as to whether Government land should be made available on a long term basis for low cost housing, and that is a whole different area also, one that I had not really given much thought to. It is one that we also need to consider.

Senator Roth?

Senator ROTH. Yes, Ms. Roth, you touched on case management in your statement. I wonder if you could elaborate with respect to some of your concerns.

Ms. ROTH. Case management is one of those terms that means different things to different people. One of the previous speakers referred to it as good social work practice, basically. What we have done with case management in mental health in Ohio is that we have tried to make an individual have only one, but a very active, case manager in the mental health area, so that they do not have one when they come out of a State hospital and a different one when they go into a mental health center.

But other agencies are out there with case managers of some variety as well for other kinds of problems that people have, and I think that our major point here is that you need to work with the systems that exist and strengthen those rather than necessarily giving the person yet another case manager. They could all have a large meeting and talk to each other and then the person is sitting out there without the assistance that they need.

That I think, again, speaks to rather than having simply a national board and a local board, that the State needs to be involved, because at least in mental health and in a number of other programs it is the State level that is responsible for providing the case management services.

Senator ROTH. Could you provide us examples of the kind of activities the council could perform that you think would be helpful to the community program.

Ms. ROTH. The interagency council at the national level?

Senator ROTH. Yes.

Ms. ROTH. The Cabinet cluster we have in Ohio is my best example of how it has worked for us, at least at the two levels, with State and local. The Cabinet cluster contains all of the agencies in human services, and we started out with that group by presenting the research findings in a lot of detail and what pieces of the research findings had to do with each of those Cabinet agencies.

And then those people provided a fair amount of leadership and monitoring downward to the local level where there were local providers who were not really responsive to the needs of homeless people. That could get reported back up and back down the chain, and I think that the two levels have worked pretty well in Ohio.

Senator ROTH. Thank you, Ms. Roth. That is all I have.

Chairman GLENN. Thank you, Ms. Roth. I appreciate you being here and testifying this morning.

Our next panel, and the last this morning, will be Mr. Harvey Vieth, Chairman of the Federal Task Force on the Homeless and Acting Director, Office of Family Assistance, Department of HHS, Health and Human Services, accompanied by James Stimpson, Vice Chairman of the Federal Task Force on the Homeless and Deputy Assistant Secretary for Policy Development, Department of Housing and Urban Development.

Mr. Vieth, welcome this morning, and Mr. Stimpson, welcome to our hearing this morning. I look forward to your testimony, either in summarized version or in its entirety, and in either event the entire statement will be included in the record. Thank you.

TESTIMONY OF HARVEY R. VIETH, CHAIRMAN, FEDERAL TASK FORCE ON THE HOMELESS, AND ACTING DIRECTOR, OFFICE OF FAMILY ASSISTANCE,[9] ACCOMPANIED BY JAMES W. STIMPSON, VICE CHAIRMAN, FEDERAL TASK FORCE ON THE HOMELESS AND DEPUTY ASSISTANT SECRETARY FOR POLICY DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT[10]

Mr. VIETH. Thank you, Mr. Chairman and members of the Committee. I will just highlight our statement, because I know that you are on a tough time frame and you might like to ask some questions.

I am going to focus on Title I of the bill, which would establish an interagency council on the homeless. We defer to other Federal agencies with expertise concerning Titles II and III of the bill.

In my testimony, I talk about what the Federal Task Force does, the fact that we identify existing resources, remove red tape, and things like this that I am sure that you have already looked at.

We also work very closely with local and State governments in their efforts to deal with homelessness and work with the business and nonprofit religious communities in forming public-private partnerships.

We certainly share the concerns of the Congress and the activities we have undertaken. I have been Chairman of the Federal Task Force for over three years, so I have been all across the country, in and out of shelters, and I know first-hand that it is a very serious situation.

However, the administration strongly opposes establishing an independent permanent interagency council on the homeless as proposed in S. 813. Creating such a council would not improve the existing Federal Task Force on the Homeless.

The existing Task Force currently performs most of the same functions S. 813 proposes for the council. In addition, the National Clearinghouse which will operate under the aegis of the Task Force would make the overlap of functions with the council provisions almost complete. With the limited resources that are available under the current deficit situation, it is important to maintain the flexibility to direct resources to the most pressing problems.

The existing Task Force will continue operating as long as needed. Creating an independent bureaucracy in statute often prevents rapid and effective resolution of problems, because there is insufficient administrative flexibility to change the current structure to respond to the changes affecting the basic problem.

In addition, the natural tendency of a bureaucracy is to justify its independent, continued existence through expanding its jurisdiction or diverting its efforts to new problems.

Finally, burdensome reporting requirements of the Senate bill would divert attention and resources from assisting the homeless to counting them, tabulating Federal homeless efforts. The council would inappropriately assume a research role when it should primarily be a facilitator and a coordinator, as is the existing Federal Task Force on the Homeless.

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[9] See p. 136 for Dr. Vieth's prepared statement.

[10] See p. 141 for Mr. Stimpson's prepared statement.

Thank you for your interest and I would be happy to answer any questions.

Chairman Glenn. Thank you, Dr. Vieth.

Your testimony points out that the current staff of the Interagency Task Force serves as facilitators for local governments, providers of information to shelter operators and even travels to soup kitchens and shelters to talk with the homeless about their eligibility for Federal benefits. You have, what, a staff of five?

Mr. Vieth. That is correct.

Chairman Glenn. What was your travel budget and how many shelters has your staff visited in the past year?

Mr. Vieth. I would like to explain the structure of the Federal Task Force. The Federal Task Force is composed of 15 agencies. Each agency has a member on the Task Force, so that would be 15 people representing the homeless.

We also have a regional organization in which we have one person in every region representing at least HHS. I personally went out several years ago and organized all regions so they would look just like the Federal Task Force. All those agencies, maybe not all 15, but ceretainly the majority were represented there. So when you take that 15 plus 10 times 15, you find that really, in fact, it is quite a large organization serving the homeless.

As far as travel, within the last year we have been to New York and we have been to Los Angeles. Some people are asking for our help, but we have not been traveling extensively. Before that, I had been traveling all over the country and have been in almost every major city, in soup kitchens and in the shelters.

Chairman Glenn. What is you travel budget for your office?

Mr. Vieth. I will have to get that for the record.

Chairman Glenn. Fine, you can submit that to us, please.

How many national or regional conferences on the homeless have you attended outside of Washington in the last year?

Mr. Vieth. I will have to get that for the record. Like I say, I went personally to every single region and established the organization.

[The information referred to follows:]

Since April 1, 1986, staff members of the Federal Task Force on the Homeless have spent a total of $3,124.34 on 8 trips to provide technical assistance and attend conferences on homeless issues. Of that amount, one trip totalling $230.53 occurred in Fiscal Year 1987. The trips consisted of the following:

Fiscal Year 1986: Charleston, South Carolina, April 8-9—$420.80; New York City, April 14-15—$302.00; Salt Lake City and Santa Monica, April 15-19—$901.44; Fort Worth, Texas, April 23-24—$355.73; Dover, Delaware, May 12—$53.12; San Francisco, Phoenix, and Albuquerque, June 3-4—$675.97; and Boston, June 9-10, 1986—$284.75.

Fiscal Year 1987: New York City, November 18-19—$230.53.

Chairman Glenn. Okay. You testified that the reporting requirements of S. 813 would impose burdensome reporting requirements and disrupt lines of communication and decision-making.

The homeless population has been growing dramatically in this country and Congress wants information about the nature and extent of the problem on which to base future policy decisions.

How would such an annual report disrupt lines of communication and decision-making?

Mr. VIETH. I feel that if you set up a bureaucracy and have a large effort in counting the homeless, identifying who they are, it takes time away from helping them. Everyone who has testified today, when you start asking about the 25 percent increase they have estimated in the homeless, has had difficulty coming up with the answer on how they came up with the numbers. I just think that the way we have been dealing with the Federal Task Force is to react to people in localities who ask us for help and then try to do whatever we can from any one of the departments that is on the Task Force, rather than arguing about the numbers.

So I do not think it is the purpose or should be the purpose of the Federal Government to be intruding, and homelessness is clearly a local issue. It is clearly a local issue. And I think the thing that concerns me the most is the broad-brush approach. You see, you are dealing with a group of people that have to be out-reached almost one-on-one in order to build up enough confidence to bring them into shelters, so then you can begin to rehabilitate the people.

Chairman GLENN. Well, I would submit that it may be a local issue depending on where people live, but I would submit that it also is a national problem and that just to turn it back as part of our defederalization and say that, no matter what the suffering is out there, somehow we are just going to let it go, no matter what the ability of States and local communities to take care of this situation is, I find this reasoning preposterous. So I just disagree with you very strongly on that.

Dr. Vieth, you are the Chair of the Interagency Task Force on the Homeless and I assume you played a substantial role in developing the testimony being presented here today. Is that correct?

Mr. VIETH. That is correct. That testimony was developed from other testimony and taken from different pieces. I would like to address your comment, if it would be all right with you——

Chairman GLENN. Just a moment. I would like to ask you to detail your role in the process. Was this testimony drafted by you as the Chair of the Task Force or was it drafted by your superiors in the HHS Family Services Administration?

Mr. VIETH. It was drafted mostly by my superiors.

Chairman GLENN. Mostly by your superiors.

Mr. VIETH. That is right.

Chairman GLENN. What role did the Office of——

Mr. VIETH. We had a quick turn-around on this and we really did not have time to—you know, we only had, what, 48 hours.

Chairman GLENN. What role did the Office of Management and Budget play in developing this testimony?

Mr. VIETH. I think the role of the Office of Management and Budget is the same as it would be in much other testimony, that they represent the administration and certainly we have to look at the budget to see how practical it is to do the things that you may want to do.

Chairman GLENN. Well, this Administration, in 1984 said there were only 250,000 to 350,000 homeless people nationwide—let me ask this, are there parts of this testimony that do not reflect your particular views, you personal views?

Mr. VIETH. I would say that I represent the administration on this issue, that is correct.

Chairman GLENN. But I am asking your personal views on this. Would your position change any, for instance, if the bill contained a three-year sunset provision of the Interagency Council?

Mr. VIETH. My feeling and experience in the Federal Government, having come as a local elected official, is I really feel that any time you establish something at the Federal level, first of all, it is very difficult to sunset it; second of all, I really feel that the way the existing Task Force is set up, it can function and do the things you want.

I am not saying that it is doing that now. I am not saying that some priorities may not have to be set, but in areas where there has been cooperation I think that it is a good way to serve the homeless, and we have enough existing resources, if they are directed properly. The administration supports block grants to give better flexibility to the States.

My problem with some of this is that I feel that the priority has not been set at the local level, although that is changing and has been over the last 18 months. Therefore, I think we have enough programs and entitlements. The main thing is getting them to the homeless people and that is going to be difficult, no matter what system you come up with.

Chairman GLENN. Okay. What parts of the testimony you are giving this morning do not reflect your particular views, your personal views?

Mr. VIETH. I cannot say that there is anything in there that I would not be able to support I believe in what they are talking about because I really do not think that we need to start a major Federal program to help the homeless. I think we do have to prioritize our existing resources and insofar as we do that we can help the homeless.

Chairman GLENN. If that is the view of yourself and the Administration, if that is your personal view and you are also expressing the Administration's view here, I gather, and if the problem is increasing the way it has been and the State and local governments do not have the programs to deal with this or the wherewithal to do it, how can it do anything but become a Federal program?

Mr. VIETH. I think it is a local program and I do think we need to prioritize existing resources. People say homelessness has increased by 25 percent, 20 percent, but no one can substantiate that. But if you talk to shelter providers, you know that it is increasing and that it is a sad situation.

Now, I have also found in the last three years, from the time I went to New York the first time and San Francisco until now, that the definition of the homeless seems to be changing. We are now seeing in shelters people who are working. I am not saying that they should not be there, but I am saying it is different.

We also know that with the Anacostia Shelter that we developed at the Federal Task Force, we found that one-third of those residents had never been homeless before that shelter was open, so we are looking at something that is hard to grab onto. The last person that testified said that it is very difficult from a research point of view to identify the percentages.

Chairman GLENN. When this testimony that you are giving here this morning directly involves your office and no other office, you are the lead office in this, why did your superiors feel it was necessary for them to draft most of this testimony this morning, as opposed to letting you give your views on it?

Mr. VIETH. It was put together at a higher level than myself based on testimony we have put together many different times. We had a quick turn-around and we had to have it approved, we had to have it cleared, and so that was probably the only way we could get it here in the time frame that you asked for it, so that you would be able to use it.

Chairman GLENN. You have given testimony in this regard many times. You have given it over in the House. This is not a new subject to you. You testified on the bill over there. The administration has testified a number of times through your office on this——

Mr. VIETH. That is right.

Chairman GLENN [continuing]. So this was not anything brand new.

Mr. VIETH. That is right.

Chairman GLENN. It is something that you are fully capable of testifying on yourself. What were the specific disagreements between you and your superiors on what the testimony should be today?

Mr. VIETH. I never admitted that I had any disagreement with my superiors.

Chairman GLENN. Well, it is obvious to me that if they wanted to do this at their level and not turn it over to you, when you have testified on this repeatedly in the past, that there were some disagreements. What were those disagreements?

Mr. VIETH. I think I just answered that question, Mr. Chairman.

Chairman GLENN. You say there were no disagreements?

Mr. VIETH. I had no disagreement. I am not for a major Federal program for the homeless. I do not think it would be effective. In fact, the example that was used here as a good example is the war on poverty. The war on povery was developed as a seed program to help ameliorate the causes of poverty. It is still in existence 20 years later and I think you are going to have the same problem if you develop something for the homeless. It is a massive thing.

The thing that you have to understand what you are dealing with and the kinds of people that you are trying to deliver services to. If you had money to deliver services to these people, you would still have a problem in the service delivery and the way you are going to do it.

Chairman GLENN. Thank you. My time is up.

Senator Roth?

Senator ROTH. Thank you, Mr. Chairman.

Mr. Vieth, I think we are all in agreement that something needs to be done to help the homeless. The question is what is the best means. And, in a very real way, what we have before us is what this Federal Government did in the sixties and seventies, that is, create another categorical program for a particular problem.

I will not argue here which is the best approach at this time, but I do have before me a statement on behalf of the National League of Cities, and I would just like to read certain paragraphs and then ask you for your comments.

First, in this statement by the League of Cities it says:

> We are deeply concerned at proposals which would cut the community development block grant program this year, at the same time members are expressing a concern about the homeless. The CDBG program is the single most effective and efficient program we have, not just to respond to the homeless in our cities but to prevent homelessness.

Do you care to comment on that?

Mr. VIETH. Percentagewise, the CDBG is certainly a major funding source for the homeless when one considers the number of homeless served. Are they saying they do not want it cut because they are helping the homeless presently with the CDBG?

Senator ROTH. Well, they say it is the single most effective, efficient program, not just to respond to the homelessness in our cities, but to prevent homelessness.

Mr. VIETH. Jim Stimpson would like to respond. He is from HUD.

Mr. STIMPSON. Senator, may I respond to that?

Senator ROTH. Yes.

Mr. STIMPSON. I could not agree more, that what we have been hearing from the cities is that the block grant program is a very flexible program that they have been using, and we know that it is being used around the country for homeless programs.

The 1988 budget had a reduction in the CDBG program, but that was within the context of keeping our total budget within certain limits to meet Gramm-Rudman and other overall budget targets. Over the last few years it has been about a $3 to $3.2 billion program. and we had to make a reduction this year. I do not remember the exact number. I think it is about $2.6 billion, but we agree that it is a very flexible tool.

Mr. VIETH. One of the areas that concerns me is that I think at the local level they had to say who needs the money the most and certainly at this point it is the homeless. They are the poorest of the poor. The block grant that you are just talking about certainly is flexible enough to do it, but the percentages that are being spent on the homeless, as much as we know, are not very great. I think they could be improved.

A lot of the money is being used to develop other things. One of the reasons we have the problem is not because they are bad programs but because of urban renewal and also because you have lost a lot of units that the homeless would be able to live in. The cities have increased the tax base of the cities, they have also increased the employment within the cities, but the taxes that have been collected have not helped to benefit the people that have been pushed into needing housing that is not available for them, so they are homeless. So I do think that cities have some responsibility, as we do.

Senator ROTH. Let me go on. The statement says:

> The committee includes a provision creating and authorizing funds for a new interagency council on the homeless to help coordinate the large number of Federal agencies involved in administering section of the legislation. To us the more Federal

> agencies that are involved, the greater the number of potentially conflicting Federal regulations which will be promulgated. That would mean less funds would actually be available for the homeless, but of those funds which did make it through, more would be tied up in trying to comply with different agency goals and objectives. We believe that it would be worth considering detailing existing staff and requiring the council insure maximum coordination of any Federal regulations so that the cities can devote whatever funds are avilable to the problems at hand.

Do you care to comment on that statement?

Mr. VIETH. Well, I think the cities have a concern about the Federal bureaucracy. I feel that the Federal Task Force that is in existence now in its present form can address the kinds of problems they are talking about without a major Federal impact or without pushing down on them massive regulations.

I am not saying that in our present form there are not more things we can do. I know that there are. So I just think it is not right to put on the taxpayers a whole other agency that will be in existence.

Senator ROTH. If I understand what the National League of Cities is saying, it is in a sense supporting what you said in your opening statement.

Mr. VIETH. I thought that was right.

Senator ROTH. Finally, it says:

> The legislation would impose a case management mandate for all residents. We think this is a worthy goal but we think it is one which creates serious public policy questions for which the authorized funds would fall far short. Case management is expensive both in personnel and in local tax dollars. To comply with this provision would force cities to balance other personnel needs and priorities.

Would you care to comment on that statement?

Mr. VIETH. I think there is a point to what they are saying. I think that concerns me is that we must understand what we are really dealing with.

What are we dealing with? We are dealing with deinstitutionalization, we are dealing a lot of times with the chronically mentally ill, we are dealing with people who are afraid of bureaucracies and can no longer cope with them. You have to reach out to them. Case management services needed for the homeless may not be and probably are not the same as that being provided in many clinics.

The first thing I found when I went to Los Angeles, after talking to a psychiatrist there in a public health environment, was that you have to go right down to where the people are. So case management I think has to be looked at differently.

My recommendation is that we assess the many models around this country that are addressing those needs, many of them sucessful. We take those models and put them in a clearinghouse so that information is available on how they can be duplicated on a one-to-one basis according to the needs of the people. It concerns me to start case management unless I know what I am trying to manage. I do not know that if I sat down—even with the experience I have had in the last three years—that I could develop a system that could get to the people. Ninety percent of the homeless are being taken care of by the nonprofit religious organizations. I think that is important. It is more humane than government can do. That is not to say that we should not be involved in funding or that we should not be involved in the entitlements.

I think before you would want to move into any of this, you would have to know eactly what you are dealing with. Until we—and this is a personal opinion—until we look at de-institutionalization, I think that this problem is going to be on-going. Not to be able to help someone because they are not hurting themselves or someone else, I think has to be looked at.

When you talk to somebody underneath a bridge, Brooklyn Bridge in New York, when it is 20 degrees and he has no food and he has been there for three years, then I think there is something wrong with this country when they interpret it that he is not hurting himself.

When an 18-year-old or someone less than 18 has a drug problem, you can put them in a drug rehabilitation clinic and give him some treatment and many times the success rate is very good. But if you have a child that is 18 or 19 and has the same problem, you cannot force him into treatment. That person is either going to end up in a mental hospital or is going to end up in jail or is going to die in the streets. And I have first-hand knowledge from friends about cases where that is exactly what happened.

So I think there are a lot of issues to consider before we jump in and start a major Federal program. I think the Federal Task Force can continue to bring existing resources together and be more effective in the future now that Congress has set this as one of their priorities.

Senator ROTH. I have some more questions, but perhaps I could deal with this later.

Chairman GLENN. Thank you, and I will get mine done because I do have to leave in a little while, and then you can continue as long as you like here, and I appreciate that. Thank you very much.

I would just comment on the National League of Cities, that the cities obviously want the maximum dollars for themselves and I understand that. But it seems to me that it is a far greater problem than that.

The members of your Federal Task Force on the Homeless right now, as I understand it, include representatives from Agriculture, Commerce, Defense, Education, Energy, HHS, HUD, Interior, Labor, Transportation, ACTION, GSA, FEMA, the Postal Service, and the Veterans' Administration. Now, that is as Federal as I can possibly think of, and if those are worthy of being considered, and their views considered, and their programs considered, it would seem to me that to think that we can just toss this all back to the local level and let them deal with Agriculture, Commerce, Defense, and so on across the board, all of those I just mentioned—that just flies in the face of reason to expect them to do that.

So while, I appreciate the views of the League of Cities, I just think tossing the ball back to the local level when part of the problem involves many agencies of the Federal Government is simply not correct. Do you have any comment?

Mr. VIETH. I do. I think that your comment is correct. However, at the regional levels we can do outreach—to local communities—and we do get a lot of interest. We answer about 300 letters a week.

The main thing is that we are not just sitting there in isolation. The Veterans' Administration has been very proactive in helping the veterans who represent up to one-third of the homeless. The Defense Department has performance evaluation criteria for the people who are working on the homeless. They have that built in and they are trying to be effective, even though it is cumbersome and difficult because of the kinds of buildings that are available.

So I think if we are available to help and the city knows it and also if we have a clearinghouse where somebody can pick up a telephone and call and ask how to help these people, than that will take care of a lot of your problems.

Chairman GLENN. S. 813 would not start a major Federal program. What it would do is it would simply make the Task Force in existence now named a Council and give it more independence, rather, than being under any Administration's thumb, because this is a national problem as we see it and that is the purpose of this legislation.

As far as the money goes, your testimony mentions $6 billion in block grant funding that could be used by State and local governments to fund some of these activities. Do you have any figures on what percent of that block grant funding is now being spent on homeless activities? You know there are a lot of competing purposes out there, and I cannot help but note the Task Force's report on Federal programs helping the homeless—to get that $6 billion up there—you included full funding figures for the Older Americans Act and Medicaid and Medicare also. Those are mighty big amounts to include in that they are under separate programs entirely.

Mr. VIETH. I agree. There are certainly other people who are vying for that funding, who are deserving, but what we are trying to say is that there is flexibility. To say that $6 billion would, if you pull a switch, all go to the homeless, would hurt other people, I am sure. On the other hand, there are some areas where dollars are going to more middle class-type projects than the homeless. The CSBG, community service block grant, is supposed to help ameliorate the causes of poverty. It is over $300 million and I think the community action agencies are beginning to start targeting that toward the homeless because it is a priority that has been established.

Chairman GLENN. Well, that means something else has to slip, such as the Older Americans Act or Medicaid and Medicare, some of those programs. I do not think we want to propose cutting back on those vital programs for the homeless.

One other question, and this will be my last question. In your testimony you say that the Task Force removes red tape and other barriers to the use of Federal resources for homeless related activities. I am curious as to the extent of your authority in this regard. What authority do you have to bypass red tape or how do you do this?

Mr. VIETH. We do it by meeting and talking to Task Force members, by identifying what it is we can do to help the homeless administratively and legislatively. We know that right now we are looking for a greater outreach to the homeless. We have done some outreach with Social Security. Some of the programs that we mention, such as AFDC, are open-ended programs to help homeless families, including emergency assistance.

I just think that we need to hone in and take the priority that you are establishing in the Senate and in the House and take that to the Federal Task Force, but I think we can do it without creating a new entity.

Chairman GLENN. One of the proposals in this involves GSA. Do you have an agreement with GSA as to what can be done right now?

Mr. VIETH. We have ten agreements and memorandums of understanding, including GSA. We have had some difficulty with the surplus buildings, but with surplus personal property we have been quite effective, I think, in getting it out. It could be more effective, but——

Chairman GLENN. Well, these agreements with GSA, are those very recent?

Mr. VIETH. No. They were identified early and put to gether probably within the first 15 months.

Chairman GLENN. The reason I ask is because specifically there is one case where a Federal building had been approved at the regional offices of both GSA and the Department of Health and Human Services for use as a food storage center in St. Louis. However, the national office of GSA disapproved its use for this purpose. Now, I have copies of your correspondence on this matter and the notes of your office read, "At present, no memorandum of understanding exists between the GSA and DHHS concerning the homeless issue."

Mr. VIETH. Well, I am somewhat familiar with St. Louis, but I would have to look into that, Senator.

Chairman GLENN. The point is that your own correspondence said that at the present no memorandum of understanding exists between GSA and DHHS concerning the homeless issue.

Mr. VIETH. We have been working with GSA. We identified some buildings and those buildings are now being used as shelters in other parts of the country. The specific case I will have to look at.

Chairman GLENN. Well, you said you had——

Mr. VIETH. I know we have a working agreement with GSA, but not all of our agreements are in writing. We have been working with the state surplus property officers to get any kind of clinical and other equipment, chairs and things like that to help the people. So let me look into that if I——

Chairman GLENN. All right, you can get back and give us a record on that as to what the status is. I would appreciate it.

Mr. VIETH. We have been working with St. Louis, at least the task force probably has for 2½ years.

[The information referred to follows:]

The Federal Task Force of the Homeless has had informal agreements with GSA for several years regarding efforts to use surplus Federal personal property and facilities to help the homeless. Although the agreements are not in writing, we have had good cooperation from GSA in targeting surplus personal property such as clothing, funiture and appliances to homeless persons and the food/shelter provider community.

Chairman GLENN. All right, thank you very much.

I will turn the gavel over to Senator Roth here and he can conclude the hearings as he sees fit here, and thank you very much.

Mr. VIETH. Thank you.

Senator ROTH [presiding]. Thank you, Mr. Chairman.

In your testimony, you support the establishment of a national clearinghouse. It is my understanding that the staff for the council provided in S. 813 would serve as a clearinghouse for information. Can you give me some examples of the kinds of activities a clearinghouse would perform and what current needs there are for such a function?

Mr. VIETH. There is a current need for a function of a clearinghouse because, as Senator Glenn said, you do not want to have to go to 15 different places to get information. What we are talking about are examples.

We put out 15,000 resource guides which had some model programs for food and shelter, so just from that experience we know that there is a lot of interest. We can put model programs in there, research, resources that could be available, entitlements, how to get them, whom they serve, and so forth.

There are other clearinghouses right now that have to do with the chronically mentally ill, so we could plug that into it, as well as information on housing, such as low-cost affordable housing that can be produced in the private sector.

There is also information on how to do SROs that are being developed around the country. It would tell us how we could have tax advantages in different cities. They are putting together zoning standards, how those things could be changed, all these things to help develop homeless shelters, and I think it will be very effective. We have funding for two years to do this, and we are working on it——

Senator ROTH. Could you give me an idea of what kind of staff would be necessary, both in terms of numbers and the positions and whether a central office and regional staff are also necessary.

Mr. VIETH. Right now we are looking at the clearinghouse. We are looking at the private sector. We want to do it the most efficient way that we can. My personal feeling is that it would be good to have a contractor do it. Sometimes if you can get a little bit away from the Federal Government, it might have a little more credibility and less intrusion or political involvement.

I cannot tell you exactly what the FTE level would be, because if we do it in the private sector then it would not be as much, as if we do it in house—we are looking at that now.

Senator ROTH. You are making——

Mr. VIETH. Excuse me. As far as the regional offices, I do believe that we do need some people in the region. We have one person now in each region. A lot has to do with the workload.

One of the problems I have with developing a new council, is in staffing it, say to a large number. I have had experience in reorganization in the Federal Government several times in the last five years. I have found that when you reorganize, many times people will take a lot of staff, but it could be a long time before you know exactly what those people are or should be doing.

My feeling is we should go according to the need and the priority. In other words, if we see that we need somebody from HUD on the Task Force as it exists now, then they could detail somebody, and then Labor, and Education, and that way we would be addressing the problem as the local communities identify them.

Senator ROTH. In order to provide information and technical assistance, do you believe it is necessary to publish newsletters or have conferences?

Mr. VIETH. We are looking at that. My past experience has been that that is desirable, that it helps people and I think going out to where the people are, to the local communities, is also beneficial and I would expect that would be part of the clearinghouse and the technical assistance.

Senator ROTH. Now, S. 813 also provides for the staff of the council to gather data on the problems of homelessness. Your Task Force has been in existence for some time and I know you have compiled a summary of Federal programs to help the homeless.

Have you gathered any data on the nature and extent of the homeless problem and, in your view, how difficult is it to compile such information? How much staff did it take and to what extent would it require separate council staff in the regions?

Mr. VIETH. I think the extent of homelessness is very difficult to determine. Any time you have a spread between 250,000 to 3,000,000, in estimates, it shows that it is difficult. We spend a lot of time any time numbers come up arguing about that.

With de-institutionalization, we went from 520,000 beds to 120,000 beds, so you have 400,000 basically potentially homeless people, plus you have the baby boom that has never had access to the mental health system in state hospitals, so you have to add that.

The other thing is that we have gone through gentrification and we have lost probably half of the total units of SROs where these people could live, so you add that on and you come up with numbers that can vary. The HUD numbers, say there are 350,000 homeless. If the average person is homeless, say, for three months, you are talking about a million people that could be affected by homelessness over a year's time, and that is very serious.

I have always instructed my people that what we should do is try to react and respond as people need us at the local level; as they are developing shelters, we should be there with any kind of excess property that we can supply or try to plug them into existing resources and entitlements.

The Robert Wood Johnson Foundation and different groups, substantial groups of people who are trying to count the homeless, have a lot of trouble because many of these people do not want to be counted. They have withdrawn from society, they are very mobile in many cases, and some of the places you have to find them are difficult to reach.

I do think that the definition of the homeless is the thing that is most difficult. I do not know exactly what that definition is and I have been in the business for three years. My definition is that when someone is homeless, the places I have been in this country, you can see they are homeless, they are in a shelter, they are on the streets.

And now many are talking about homeless people who, are different and I have not been able to grasp what that difference is. They say there are a lot of families involved and I see that happening. We do have AFDC and emergency assistance, if they are single head of households. The coordination is absolutely critical if we are going to help the homeless. We are talking now about how we can have better outreach. With the Veterans' Administration, and the mental health programs, I think we can get a grasp on it.

It is no one single government's responsibility and that is what makes it so complex, Senator, and it is very frustrating when you see what goes on there. Not only that, but shelters come and go. Many of the shelters house only 10 or 15 people and so that is why it is difficult to get a grasp on it, but we know that there is a problem and I think what you do is you address the problem by responding.

Senator ROTH. In the work of the Task Force, have you found duplication among Federal programs and activity?

Mr. VIETH. We have found some duplication. I think we found some inefficiencies. I think just looking at the commodity program to see how that fits into it, food banking and the way that people all end up with ice cream topping, for two weeks for example, rather than essentials. I think there are a lot of areas there that have to be looked into.

We can talk to all of these people and the nice thing is we can pick up the phone if somebody calls us. We can call other agencies and say, what is the situation? So we do have good cooperation there.

We have found some duplication, maybe a wasteful direction of resources. I think we have found some, but mainly I think setting a priority in these different agencies is what we have been trying to do in the last three years.

Senator ROTH. I would like to ask a couple of questions about the reporting requirements in S. 813. First, do you beleive that each Federal agency, including the Federal Communications Commission and the Commodity Futures Trading Commission, needs to report to the council?

Mr. VIETH. When we started the Task Force we had identified maybe three different agencies or departments and now we have 15 members. We have not looked at either one of those two you mentioned. If they had some function or some relationship to the homeless, yes.

But to put this massively across the whole Federal Government at this time I do not think would make any sense.

Senator ROTH. I wonder if you could give me a comparison. How much staff time was required to produce your report of January 27, 1987, and how much more staff time do you estimate would be required to fulfill the reporting requirements of S.813?

Mr. VIETH. I would say that the January 27th report probably did not take that much, because we had already done other reports, maybe one person for a total of two months. It is very hard to track that. That is one of the things that makes this so flexible, because we are reaching out to HUD, to Labor and asking them to produce things for us all the time, but there is no way we can track how many FTEs or how much time that would take.

I think the more you start putting reporting into this, the more bureaucratic it becomes, the more regulations, and the next thing you start doing in effect is to license shelters & soup kitchens. Then you are practically in a nursing home situation and we have all had experience with that. If you have ever seen anybody come before a board—I was on a board of health, trying to start a new nursing home, it is incredible the stack of papers that you have to go through.

I think we would have to at least free-wheel this and let the providers out there adjust to the situation, get people in shelters and then at that point get them into transitional housing. Shelters are only a stopgap and hopefully we will not need very many, once this has been addressed.

I think that probably it took two staff years to put together our original report, you know, including all the different agencies, but there is no way to really tell; that is really a guesstimate.

Senator ROTH. Okay.

Gentlemen, unless you have something to add, I appreciate your being here today. Those are all the questions we have at this time.

The Committee is in recess subject to the call of the Chairman.

[Whereupon, at 1:25 p.m., the Committee was recessed, to reconvene subject to call of the Chair.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

100TH CONGRESS
1ST SESSION

S. 813

To provide urgently needed assistance to protect and improve the lives and safety of the homeless.

IN THE SENATE OF THE UNITED STATES

MARCH 23 (legislative day, MARCH 17), 1987

Mr. BYRD (for himself, Mr. BRADLEY, Mr. CHILES, Mr. CRANSTON, Mr. DIXON, Mr. DODD, Mr. GLENN, Mr. GORE, Mr. HATFIELD, Mr. KENNEDY, Mr. LEAHY, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. WEICKER, Mr. KERRY, Mr. ADAMS, Mr. LAUTENBERG, and Mr. HARKIN) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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A BILL

To provide urgently needed assistance to protect and improve the lives and safety of the homeless.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Urgent Relief for the Homeless Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Nation faces an immediate and unprecedented crisis due to the lack of shelter for a growing number of individuals and families with children;

(2) the problem of homelessness has become more severe and, in the absence of more effective efforts, is expected to become dramatically worse, endangering the lives and safety of the homeless;

(3) the causes of homelessness are many and complex, and homeless individuals have diverse needs;

(4) there is no single, simple solution to the problem of homelessness because of the different subpopulations of the homeless, the different causes of and reasons for homelessness, and the different needs of homeless individuals;

(5) due to the record increase in homelessness, States, units of local government, and private voluntary organizations have been unable to meet the basic human needs of all the homeless and, in the absence of greater Federal assistance, will be unable to protect the lives and safety of all the homeless in need of assistance; and

(6) the Federal government has a responsibility and an existing capacity to fulfill a more effective and responsible role to meet the basic human needs and

to engender respect for the human dignity of the homeless.

(b) PURPOSE.—It is the purpose of this Act—

(1) to establish an Interagency Council on the Homeless;

(2) to use public resources and programs in a more coordinated manner to meet the critically urgent needs of the homeless of the Nation; and

(3) to provide funds for programs to assist the homeless.

SEC. 3. DEFINITIONS.

(a) HOMELESS INDIVIDUAL.—As used in this Act, the term "homeless individual" shall include—

(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

(2) an individual who has a primary nighttime residence that is—

(A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(B) an institution that provides a temporary residence for individuals intended to be institutionalized;

(C) a temporary makeshift accommodation in the residence of another individual; or

(D) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(b) EXCLUSION.—As used in this Act, the term "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.

TITLE I—INTERAGENCY COUNCIL ON THE HOMELESS

SEC. 101. SHORT TITLE.

This title may be cited as the "Interagency Council on the Homeless Act".

SEC. 102. ESTABLISHMENT.

There is established the Interagency Council on the Homeless.

SEC. 103. MEMBERSHIP.

(a) MEMBERS.—The Council shall be composed of—

(1) the Secretary of Agriculture;

(2) the Secretary of Commerce;

(3) the Secretary of Defense;

(4) the Secretary of Education;

(5) the Secretary of Energy;

(6) the Secretary of Health and Human Services;

(7) the Secretary of Housing and Urban Development;

(8) the Secretary of the Interior;

(9) the Secretary of Labor;

(10) the Secretary of Transportation;

(11) the Director of the ACTION Agency;

(12) the Administrator of General Services;

(13) the Director of the Federal Emergency Management Agency;

(14) the Postmaster General of the United States;

(15) the Administrator of Veterans' Affairs; and

(16) the heads of such other Federal agencies as the Council considers appropriate.

(b) CHAIR.—The Council shall elect a Chairperson and a Vice Chairperson from among its members.

(c) MEETINGS.—The Council shall meet at the call of the Chairman or a majority of its members.

SEC. 104. FUNCTIONS.

(a) FUNCTIONS.—The Council shall—

(1) review all Federal activities and programs to assist homeless individuals;

(2) take such actions as may be necessary to reduce duplication among programs and activities by Federal agencies to assist homeless individuals;

(3) monitor, evaluate, and recommend improvements in programs and activities to assist homeless individuals conducted by Federal agencies, States and local governments, and private voluntary organizations;

(4) provide professional and technical assistance, within the ten standard Federal regions, to States, local governments, and other public and private nonprofit organizations, in order to enable such governments and organizations to—

(A) effectively coordinate and maximize resources of existing programs and activities to assist homeless individuals; and

(B) develop new and innovative programs and activities to assist homeless individuals;

(5) collect and disseminate information relating to homeless individuals; and

(6) prepare the annual reports required by subsection (c)(2).

(b) Authority.—In carrying out subsection (a), the Council may—

(1) arrange Federal, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to assist homeless individuals; and

(2) publish a newsletter concerning Federal, State, and local programs which are effectively meeting the needs of homeless individuals.

(c) REPORTS.—(1) Within 90 days after the date of enactment of this Act, and annually thereafter, the head of each Federal agency shall prepare and transmit to the Congress and the Council a report which describes—

(A) each program to assist homeless individuals administered by such agency and the number of homeless individuals served by such program;

(B) impediments, including any statutory and regulatory restrictions, to the use by homeless individuals of each such program and to obtaining services or benefits under each such program;

(C) efforts made by such agency to increase the opportunities for homeless individuals to obtain shelter, food, and supportive services.

(2) The Council shall prepare and transmit to the President and the Congress an annual report which—

(A) assesses the nature and extent of the problems relating to homelessness and the needs of homeless individuals;

(B) provides a comprehensive and detailed description of the activities and accomplishments of the

Federal Government in resolving the problems and meeting the needs assessed pursuant to paragraph (1);

(C) describes the accomplishments and activities of the Council, in working with Federal, State, and local agencies and public and private organizations in order to provide assistance to homeless individuals;

(D) assesses the level of Federal assistance necessary to adequately resolve the problems and meet the needs assessed pursuant to paragraph (1); and

(E) specifies any recommendations of the Council for appropriate and necessary actions to resolve such problems and meet such needs.

SEC. 105. DIRECTOR AND STAFF.

(a) DIRECTOR.—The Council shall appoint an Executive Director who shall be compensated at a rate not to exceed the rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) ADDITIONAL PERSONNEL.—With the approval of the Council, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Council.

(c) DETAILS.—Upon request of the Council, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this title.

(d) ADMINISTRATIVE SUPPORT.—The Secretary of Health and Human Services shall provide to the Council such administrative and support services as the Council may request.

SEC. 106. POWERS.

(a) MEETINGS.—For the purpose of carrying out this title, the Council may hold such meetings, and sit and act at such times and places, as the Council considers appropriate.

(b) DELEGATION.—Any member or employee of the Council may, if authorized by the Council, take any action which the Council is authorized to take by this title.

(c) INFORMATION.—The Council may secure directly from any Federal agency such information as may be necessary to enable the Council to carry out this title. Upon request of the Chairman of the Council, the head of such agency shall furnish such information to the Council.

SEC. 107. TRANSFER OF FUNCTIONS.

(a) TRANSFER.—The Council is the successor to the Federal Task Force on the Homeless of the Department of Health and Human Services. All functions of such Task Force are transferred to the Council.

(b) TERMINATION.—The Federal Task Force on the Homeless of the Department of Health and Human Services is terminated.

SEC. 108. DEFINITIONS.

For the purpose of this title—

(1) the term "Council" means the Interagency Council on the Homeless established by section 102; and

(2) the term "Federal agency" has the meaning given to the term "agency" in section 551(1) of title 5. United States Code.

SEC. 109. AUTHORIZATION OF APPROPRIATIONS.

To carry out this title, there are authorized to be appropriated $200,000 for fiscal year 1987 and such sums as may be necessary for fiscal year 1988.

TITLE II—CLARIFICATION OF USE OF EXCESS PROPERTY UNDER THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 201. SHORT TITLE.

This title may be cited as the "Excess Property Identification Act of 1987".

SEC. 202. IDENTIFICATION OF EXCESS PROPERTY.

In carrying out section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483), each executive agency shall specifically identify excess property under its control as suitable for use as a shelter for, or for use to provide services to, homeless individuals.

SEC. 203. REPORTING OF AVAILABILITY OF EXCESS PROPERTY.

The Administrator of General Services shall promptly report to the Interagency Council on the Homeless the availability of excess Federal property suitable for use as a shelter for, or for use to provide services to, homeless individuals.

TITLE III—SHELTER PROGRAM

PART A—GENERAL PROVISIONS

SEC. 301. SHORT TITLE.

This title may be cited as the "Emergency Food and Shelter Act of 1987".

SEC. 302. DEFINITIONS.

For the purpose of this title—

(1) the term "Board" means the Emergency Food and Shelter Program National Board;

(2) the term "Director" means the Director of the Federal Emergency Management Agency;

(3) the term "emergency shelter" means a facility all or a part of which is used or designed to be used to provide temporary housing;

(4) the term "local government" means a unit of general purpose local government;

(5) the term "locality" means the geographical area within the jurisdiction of a local government;

(6) the term "private nonprofit organization" means a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under subtitle A of such Code, and which has an accounting system and a voluntary board, and which practices nondiscrimination in the provision of assistance; and

(7) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States.

SEC. 303. EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD.

(a) Establishment of National Board.—There is established to carry out the provisions of this title the Emergency Food and Shelter Program National Board. The Director of the Federal Emergency Management Agency shall constitute the Board in accordance with subsection (b) in administering the program under this title.

(b) Board of Directors.—The Board shall consist of 6 members who shall be appointed by the Director of the Federal Emergency Management Agency not later than 30 days after the date of enactment of this Act, one from those individuals nominated by each of the following:

(1) The United Way of America.

(2) The Salvation Army.

(3) The National Council of Churches of Christ in the U.S.A.

(4) Catholic Charities U.S.A.

(5) The Council of Jewish Federations, Inc.

(6) The American Red Cross.

In addition, the Director shall be a member of the Board ex officio.

(c) ELECTION OF CHAIRMAN AND VICE CHAIRMAN.—The Board shall elect from among its members a Chairman and a Vice Chairman and such other officials as it deems appropriate in the conduct of its affairs.

(d) OTHER ACTIVITIES OF THE BOARD.—Except as otherwise specifically provided by this title, the Board shall establish its own procedures and policies for the conduct of its affairs.

SEC. 304. LOCAL BOARDS.

(a) ESTABLISHMENT.—Each locality designated by the Board shall constitute a local board for the purpose of determining how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board, except that the mayor or other appropriate heads of government will replace the Federal members. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) RESPONSIBILITIES.—Each local board shall—

(1) determine which private nonprofit organizations or public organizations of the local government in the individual locality shall receive grants to act as service providers;

(2) monitor recipient service providers for program compliance;

(3) reallocate funds among service providers;

(4) ensure proper reporting; and

(5) coordinate with other Federal, State, and local government assistance programs available in the locality.

SEC. 305. ROLE OF FEMA.

(a) IN GENERAL.—The Director of the Emergency Management Agency shall provide the Board administrative support and act as Federal liaison to the Board.

(b) SPECIFIC SUPPORT ACTIVITIES.—The Director shall—

(1) make available to the Board, upon request, the services of the Agency's legal counsel and inspector general;

(2) assign clerical personnel to the Board on a temporary basis; and

(3) conduct audits of the Board annually and at such other times as may be appropriate.

SEC. 306. RECORDS AND AUDIT OF BOARD AND RECIPIENTS OF ASSISTANCE.

(a) ANNUAL INDEPENDENT AUDIT OF BOARD.—

(1) The accounts of the Board shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Board are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Board and necessary to facilitate the audits shall be made available to the person or persons conducting the audits, and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(2) The report of each such independent audit shall be included in the annual report required in section 307. Such report shall set forth the scope of the audit and include such statements as are necessary to present fairly the assets and liabilities of the Board, surplus or deficit, with an analysis of the changes during the year, supplemented in reasonable detail by a statement of the income and expenses of the Board during the year, and a statement of the application of funds, together with the opinion of the independent auditor of such statements.

(b) ACCESS TO RECORDS OF RECIPIENTS OF ASSISTANCE.—

(1) Each recipient of assistance under this title shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Board, or any of its duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and

records of the recipient that are pertinent to assistance received under this title.

(c) AUTHORITY OF COMPTROLLER GENERAL.—The Comptroller General of the United States or any of his duly authorized representatives shall also have access to any books, documents, papers, and records of the Board and recipients for such purpose.

SEC. 307. ANNUAL REPORT.

The Board shall transmit to the Congress an annual report covering each year in which it conducts activities with funds made available under this title.

PART B—EMERGENCY FOOD AND SHELTER GRANTS

SEC. 311. GRANTS BY THE DIRECTOR.

Not later than 30 days following the date of enactment of a law providing appropriations to carry out this part, the Director of the Federal Emergency Management Agency shall award a grant for the full amount that Congress appropriates for the program under this part to the Board for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government in accordance with section 313.

SEC. 312. RETENTION OF INTEREST EARNED.

Interest accrued on the balance of any grant to the Board shall be available to the Board for reallocation, and total administrative costs shall be determined based on total amount of funds available, including interest and any private contributions which are made to the Board.

SEC. 313. PURPOSES OF GRANTS.

(a) ELIGIBLE ACTIVITIES.—Grants to the Board may be used—

(1) to supplement and expand ongoing efforts to provide shelter, food, and supportive services for the homeless individuals with sensitivity to the transition from temporary shelter to permanent homes, and attention to the special needs of homeless individuals with mental and physical disabilities and illnesses, and to facilitate access for homeless individuals to other sources of services and benefits;

(2) to strengthen efforts to create more effective and innovative local programs by providing funding for them; and

(3) to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities, but only to the extent necessary to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b) LIMITATIONS ON ACTIVITIES.—The Board may only provide funding provided under this part for—

(1) programs undertaken by nonprofit organizations and units of local government; and

(2) programs that are consistent with the purposes of this title.

The Board may not carry out programs directly.

SEC. 314. LIMITATION ON CERTAIN COSTS.

Not more than 5 percent of the total appropriation for the emergency food and shelter program each year may be expended for the costs of administration.

SEC. 315. PROGRAM GUIDELINES.

(a) GUIDELINES.—The Board shall establish written guidelines for carrying out the program under this part, including—

(1) methods for identifying localities with the highest need for emergency food and shelter assistance;

(2) methods for determining amount and distribution to these localities;

(3) eligible program costs, including maximum flexibility in meeting currently existing needs; and

(4) guidelines specifying the responsibilities and reporting requirements of the Board, its recipients, and service providers.

(b) PUBLICATION.—Guidelines established under subsection (a) shall be published annually, and whenever modified, in the Federal Register. The Board shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

SEC. 316. PROGRAM AUTHORIZED.

(a) AUTHORIZATION.—To carry out this part, there are authorized to be appropriated $50,000,000 for fiscal year 1987, including any amount provided under Public Law 100–6.

(b) CARRYOVER.—Any appropriated funds not obligated in a fiscal year shall remain available until expended.

PART C—CASE MANAGEMENT

SEC. 321. GRANTS BY THE DIRECTOR.

Not later than 30 days following the date of enactment of a law providing appropriations to carry out this part, the Director of the Federal Emergency Management Agency shall award a grant for the full amount that Congress appropriates for the program under this part to the Board for the purpose of grants by the Board to nonprofit private entities and units of local government receiving support under part B for shelters for homeless individuals to enable such entities and governments to provide, or arrange for the provision of, case management services for homeless individuals using such shelters.

SEC. 322. REQUIREMENT FOR THE PROVISION OF CASE MANAGEMENT SERVICES.

(a) SERVICES REQUIRED.—Each unit of local government or nonprofit private entity which receives assistance under part B for a shelter for homeless individuals shall provide, or arrange for provision of, case management services required under subsection (b) for homeless individuals using such shelter.

(b) TYPES OF SERVICES.—(1) In the case of a shelter in a locality in which an agency (other than the government or entity receiving assistance under part B for such shelter) provides the services described in paragraph (2) for homeless individuals, case management services required under this part include referral of such individuals to such agency and followup services to ensure that the services described in such paragraph are provided to such individuals.

(2) In the case of a shelter in a locality in which there is no agency described in paragraph (1), case management services required under this part for homeless individuals include, to the extent needed by each such individual—

(A) the preparation, and the review at least every 3 months, of a plan specifying the needs of such individual and the services that will be provided to such individual to meet such needs;

(B) the provision of assistance in obtaining, and the coordination of, social and maintenance services for such individual, such as services relating to daily living activities, transportation services, habilitation and rehabilitation services, prevocational and vocational services, and housing services; and

(C) the provision of assistance to such individual in obtaining income support services, such as housing assistance, food stamps, and supplemental security income benefits.

(c) PREFERENCE.—If any unit of local government or nonprofit private entity operating a shelter to which subsection (b)(2) applies decides to arrange for the provision of case management services for homeless individuals, such government or entity shall, in selecting an entity to provide such services, give preference, if feasible and appropriate, to—

(1) community action agencies supported under the Community Services Block Grant Act; and

(2) any organization to which a State that applied for and received a waiver from the Secretary of Health and Human Services under Public Law 98-139 made a grant under the Community Services Block Grant Act for fiscal year 1984.

SEC. 323. AUTHORIZATION.

To carry out this part, there are authorized to be appropriated $20,000,000 for each of the fiscal years 1987 and 1988.

Testimony of Mark E. Talisman
Director, Washington Action Office
Council of Jewish Federations
Before the Senate Subcommittee on
Government Operations
on S. 813

March 30, 1987

Mr. Chairman and members of the Subcommittee, I am Mark E. Talisman, Director of the Washington Action Office of the Council of Jewish Federations and a member of the National Board of the Federal Emergency Food and Shelter Program. I am very pleased to be here this morning to testify in support of S. 813, the Urgent Relief for the Homeless bill of 1987.

We have known each other for many years, Mr. Chairman. Each time I have testified before Congress, unfortunately, I have had to report to you that the number of homeless is growing rapidly, that resources available to provide food and shelter is woefully inadequate, and that the issue of deinstitutionalization has been totally ignored. Last year, I testified that I would rather see the Federal Emergency Food and Shelter Program abolished than have Congress view it as the solution to this crisis.

The distinguished Majority Leader of the Senate, Mr. Byrd, Senator Cranston and you should be clearly recognized for your leadership on this vital issue! Everyone is deeply indebted to you and your colleagues and staff, Mr. Chairman, for moving so quickly in this 100th Congress to address the problems of homeless people by offering S.813. While $393 million will not alleviate all of the suffering of the hungry and homeless in our midst, it is a positive and essential step in dealing with the continuing emergency that is literally life threatening in this cold and killing winter.

My remarks this morning will deal first with the Federal Emergency Food and Shelter Program (sometimes referred to as the FEMA program) and, secondly, with the needs of the homeless that this small program does not and cannot address.

I have had the privilege of serving as a member of the National Board of the Federal Emergency Food and Shelter Program since its creation in 1983. Congress established the program in Public Law 98-8, the fiscal year 1983 Urgent Supplemental Appropriations bill. It is now in its fifth round of funding. The additional $45 million approved under P.L. 100-6 will bring the total amount appropriated to $365 million.

In many ways this is a remarkable program. It has surpassed the hopes of a number of us who were involved in its formulation and has brought benefits we did not anticipate. To date, the National Board has distributed over $320 million to 2000 local jurisdictions. These funds have supported more than 7000 voluntary and public agencies providing emergency services to those in need of food and/or shelter. If you have any doubt that the spirit of voluntarism is alive and well in the hearts of Americans, just listen to what has happened as a result of this extraordinary example of a real public-private partnership.

At the national level, the agencies represented on the National Board have contributed significant resources to see that their member agencies are informed about the program and participate in the fullest possible way. Five of the six national agencies have taken no administrative funds for for any of their expenses or for the cost of providing staff to serve on the National Board. Only United Way of America, in its role as secretariat for the Board, is given some reimbursement for its services, but the .75% (that is, 3/4 of 1 percent) of the award amount does not begin to cover the cost of computer time, six indispensible full time staff people led by Mr. Ike Fields, the rental of separate office space just to house the paper work for this program, and the processing of all checks sent to the agencies.

The voluntary agency representatives on the National Board -- Robert Beggan, senior vice president at United Way of America, Col. Ernest Miller, national affairs director for Salvation Army, Brother Joseph Berg, associate director for special programs at National Conference of Catholic Charities, Mary Anderson Cooper, assistant director of the Washington Office of the National Council of Churches, Enzo Biginatti of the American Red Cross, and myself for the Council of Jewish Federations -- have made an enormous time commitment to this program and have made it a priority on our agendas. We join Dennis Kwiatkowski, who is the Chief of Individual Assistance at the Federal Emergency Management Agency (FEMA) and Chairman of the National Board, to make decisions about the allocation of funds and the administration of the program, sometimes meeting several times a week.

Here I must say a few words about the incredible job that FEMA is doing. I cannot say enough about the dedication of these models of civil service. We live in an era in which federal employees are frequently the focus of our frustrations with government and bureaucracies of all kinds. In this case, nothing could be further from the truth. Dennis Kwiatkowski has been a superb chair of the National Board for nearly four years. No one could do a more competent or compassionate job than he is doing. He is assisted by a staff, some of whom you see sitting here today, that is absolutely first rate, from the program experts, to the auditors, to the Inspector General, to the Congressional liaison, to the clerical staff.

I make this point not only to praise people who dearly deserve it, but also to impress upon you the importance of continuity in a program like this one. The institutional memory is not replicable. What these people know about changes in the program guidelines, precedents that were set in round 1 or round 3, audit exceptions, etc. cannot be transferred. It is the view of the National Board that if Congress decides to continue this program, it should enact legislation authorizing FEMA to continue its leadership role in chairing the National Board and providing the staff support required.

The most critical action is not at the nation level of the Emergency Food and Shelter Program, however, it is at the local level. Local boards now exist in most of the civil jurisdictions across this country. They are responsible for selecting local voluntary and public agencies that are serving the homeless, determining the level of funding for each agency, and monitoring expenditures to assure that all program requirements are met. There are now also state boards in all 50 states that work with the governors to fund pockets of need that did not qualify under the regular national formula.

In addition to these functions, many of the local and state boards have been extremely effective in using the federal funds to leverage matching grants or in-kind donations from businesses and restaurants. Partnerships between state and local governments, the corporate sector and the voluntary sector have been strengthened, and cooperation among service providers themselves is better than ever.

Of course, it is the service provider agencies that are on the front line. The local voluntary organizations, thousands of them, are putting out every possible effort to assist those with no where else to turn. From large established agencies to small neighborhood groups, from the basements of churches and synagogues to large food bank operations, all of these agencies have miraculously stretched nickels into dollars. Countless hours of volunteer work have been the life blood of these agencies, many of which operate 24 hours a day, seven days a week.

We have asked a great deal of the agencies involved in this program and they have delivered. Year after year they have performed incredibly well. But there are difficulties with this program that Congress can easily fix. They are problems that we did not anticipate in the early rounds because no one knew how long the emergency would continue. But it does continue.

First, we placed an unprecedented 2% cap on administrative costs to assure that every possible dollar went into service delivery. A study done for the National Board by the Urban Institute showed actual administrative costs to be 9.6%. We are now going into the fourth year of this program and we are unfairly asking local community agencies to continue stretch their budgets to expand services and to pick up the administrative costs as well. The National Board recommends that the cap be increased to 5%, not the full cost, but a fairer sharing of the burden.

It is also recommended that any authorizing legislation be multi-year so that we do not have the long gaps in funding that have plagued local provider agencies. To this end, it would also be helpful if there were a roll-over provision to allow any funds that are returned or repaid at the end of the fiscal year to be carried over into the next year. It seems wrong, when the need is clearly so great, that over a million dollars has gone back to the Treasury at the end of program periods while agencies struggle to keep doors open between funding cycles.

At all levels of this program it is the word "emergency" that stands out. The reason for using voluntary organizations and the Federal Emergency Management Agency was that both are experienced at getting help to people in need fast. Congress mandated that this program operate with as little bureaucracy and as much speed as possible. A look at this last round will show you that we have heeded your instructions.

The Continuing Resolution was signed into law on October 18, 1986. The Treasury had 30 days to give a letter of credit to FEMA. It came on the 18th of November. The National Board met several times to make allocations decisions and by the first week of December all jurisdictions were notified of their award amount. Local boards had 25 working days to return local plans listing agencies to receive checks. The vast majority of the plans, over 70%, came in before the deadline even though the Thanksgiving, Christmas and New Year holidays interfered. Less than 60 days elapsed between the time FEMA was given permission to spend the money and the time those funds were in local agencies providing services. We expect to be able to move even more rapidly with the next appropriation.

In regard to the specific provisions as proposed in S.813, I would like to make a few preliminary comments in this written testimony and then elaborate when I make my extemporaneous remarks before you and the Committee.

The idea of establishing a functioning Interagency Council is a good one and merits support. Such a council could coordinate the governmental response to the crisis in housing and hunger by focusing the resources of the governmental sector in meaningful ways. Making it independent is also a very creative idea and thus the responsibilities of its operations would be shared among the federal membership of the Council.

I am concerned about several of the delineated responsibilities which I will elaborate upon during my oral presentation. Properly staffed, small in size to be efficient, with the appropriate authority to comb the government to assure timely responses to meet the enormous crisis in housing and hunger, which I assume you would want to include in its mandate, this idea could become a real beneficial partner in meeting the challenge before the country.

In regard to Title II, Surplus Property--while I hope that there is a reasonable way to identify MEANINGFUL surplus federal real property which has potential use as homeless shelters--our past experience in this regard has not been heartening. Too many times the property has been inaccessible to the populations to be served. The property has been in need of costly repairs, costs of which were not provided, thus making the entire endeavor meaningless and frustrating. It would seem to me that this basically worthy title would be truly useful by adding a section requiring the federal agency to assist in meeting certain minimum standards of location and condition when the property is offered.

Further, Mr. Chairman, I would beg that you consider the addition under this title of a provision to make available from surplus stocks other items not in the real property category currently being held by the federal government in various depots around the country. These valuable items include surplus beds, refrigeration equipment, cooking utensils, vans (for delivery of food and equipment) and much, much more. These items should be made readily available under this bill through the existing National Emergency Food and Shelter Program to local boards and agencies which are already in place. If you mandate in this bill such access through already existing computer terminals and programs, you will open up some truly innovative and useful federal/private sector cooperation which will immediately benefit the homeless and hungry. It would require very little direct dollar outlay under this authorization, since the surplus property is just sitting there now. You should provide for transportation costs to the site--as this lack of such funding could render this program useless, as it once did in the surplus food program until transportation costs were provided.

Under Section 303(C), it would be well simply to continue the existing arrangement of the so-called FEMA Board, on which I sit as a member, and to have the director of FEMA designate a representative who would then serve as chairman of the Board of the National Emergency Food and Shelter Board. As I have already indicated in my testimony, FEMA and its new director have cooperated fully to make this program work. They deserve special recognition for their willingness to assure that nothing will stand in the way of the smooth operation of this program. Our Chairman, Dennis Kwiatkowski, FEMA's representative should receive special commendation for his devotion to this program and its integrity of purpose. Changing that, or even implying a change, would send the wrong message at this time. I, for one, believe if it "ain't broken don't fix it!"

A word about audits as provided by S. 813. We appreciate the careful delineation of the requirements, each of which is in the national interest. I wish to provide for you and this record in the very near future the actual method which is currently mandated by the National Board by which accountability has been required. In this way, using your hearing record, we will finally be able to put on the Record the extraordinary system which is a mixture of accountability and recognition of the nature of this emergency. Mom and pop churches which have no auditing system can now come under the umbrella of local larger institutions which have elaborate systems, both better to serve the population so desperately in need of service.

It is my hope that you, Mr. Chairman, will take the opportunity with members of this committee and any other member of this body, to visit the Board's offices to see for yourself, first-hand, the huge system which has been established, not of bureaucracy, but of national response to this emergency. It is a magnificent story of local volunteers and professsionals who produce and account for what they are doing.

We thank you for having included an increase from 2 percent overhead to 5 percent. This raise was recommended strongly in the independent study of the Board and the program done by the respected Urban Institute. As is indicated in their study of us, the actual costs of administration locally of this program is far beyond even the 5 percent being proposed in this legislation! The 2 percent limitation which I originally proposed at the outset of this program in 1983 is dangerously low, so low as to cause some volunteer and non-profit agencies to lose so much of their funding as to render them incapable of serving in the program at all. I am sorry that this has happened and that is why I now strongly advocate the increase to at least 5 percent to stave off dire financial consequences.

While I do not want to do what I am about to do, I must, in fairness to the program. As you know, the other body in their H.R. 558, increased funding in this fiscal year to FEMA by $35 million. S. 813 does not. I would hope that there would be some way that the Senate could join the other body in doing so. Each and every penny makes a vast difference in regard to the delivery of emergency services. Some would have the country believe that somehow this money is being dissipated. It is not true and I would defy any fair person to demonstrate otherwise. As I have already indicated, we are here talking about solving a $4 billion crisis with a little over a hundred million dollars to this Board and several hundred million more dollars in other areas. What's worse, we are very far behind in a race to catch up, in meeting these horrible twin crises of homelessness and hunger in this great land of plenty! The ironies involved are simply overwhelming.

Your strong desire, as expressed in this bill, to build in a segment on case management is not only laudible but essential. The only question I would raise is the method you choose in the bill to accomplish this important goal. I would hope that you consider the possibility of mandating a case-management component through the local boards which already are in place and see that they, in turn, see that such a component is included in the program outlines which are sent to the National Board for approval. Then and there each local private voluntary agency could determine the best way for it to accomplish that worthy goal and present the method in writing before their check is cut and sent to them to commence the new phase of the program. In this way there would be a real method to develop exactly what you wish to do in Section 322, and then, more importantly, a real means to determine that it has in fact been done without being overly bureaucratic. Making the additional funding of $20 million available would be very helpful and make the whole concept capable of being realized, especially among smaller agencies where there would otherwise be an undue financial burden created unintentionally by the Congress.

What we obviously need, as you fully recognize, is to move this legislation quickly!

Mr. Chairman, attached to my testimony is a fact sheet that lists the statistics on this program. I won't read all of the numbers because you can see them for yourselves, but I think you will agree that the average per meal figure of $.71 and the average per night lodging figure of about $2.50 are pretty remarkable. By the time this fiscal year ends, approximately 300 million additional meals will have been served and nearly 100 million nights of shelter provided in addition to those that would have been provided by the agencies' own resources without this program.

It is clear that I am proud of the assistance that is made possible by the efforts of so many caring people involved with the Federal Emergency Food and Shelter Program. However, I do not want to be misunderstood. This program is not -- I repeat, not -- a sufficient response to the massive problems of homelessness, hunger and poverty. Providing shelter for $2.50 per night is an amazing feat, but for how long? How many nights must a family with small children share a single run down hotel room without kitchen facilities to even heat a bottle or store milk? How many meals should an old woman have to eat at a soup kitchen even if they only cost 71 cents apiece?

For all our best efforts, Mr. Chairman, this program is a single drop in a rather empty bucket. The states and cities have become very actively involved, as they must, in finding shelters, transitional housing, and food for the homeless; but much more needs to be done by all levels of government including the federal government.

I do not pretend to know all of the facts and figures on homelessness in America. I don't want to argue about whether the HUD study or the GAO study or somebody else's study is more accurate. What I know, what I came here to tell you, is that the number of homeless men, women and children is growing faster than the number of available shelter beds. Food runs out while hungry people are still waiting in line at soup kitchen doors. As the debate rages over the actual number of homeless people - a number we will never accurately determine - thousands of men, women and children are desparately trying to stay alive on the freezing, snow covered streets of this bountiful land. Does it matter if there are 350,000 or 3 million homeless? If only 10 people freeze to death this winter is that okay because it's less than 20?

The National Board has anguished over Solomonic decisions we have had to make about allowable expenditures. There are so many legitimate needs and so little money. Can the funds be used to buy pharmaceuticals for people who cannot digest food without them? Can a rural county buy seeds to grow food instead of buying fruits and vegetables in a store? What about necessary clothing for homeless people who spend their daytime hours outside? We struggle mightily with these questions knowing there is no right or wrong answer only a small amount of money that does not come close to being enough.

These are the real questions. They need real answers. In the Jewish religion there is no word for charity. The word we use is "Tzedakah" which means righteousness and justice. That is what we are talking about here.

Last week I testified before the Senate Housing Subcommittee. It was the first hearing on homelessness the U.S. Senate had held in 40 years. Every witness, including a panel of mayors, spoke of the three major causes of homelessness: the lack of affordable housing for low and moderate income people; deinstitutionalization; and unemployment or underemployment.

S. 813 will help to address these problems by providing funds for health and mental health services, additional Section 8 certificates, surplus property, and expansion of the tiny demonstration programs for shelter rehabilitation and transitional housing. It is not the complete answer; but it is a vital first step.

In the past six years, nearly every major housing program has been cut or eliminated. The important emphasis we have rightly placed on homelessness and temporary shelter relief has kept us from focusing on long-term solutions. We are facing a crisis in low and moderate income housing in this country. People who have no place to live need a place to live, not just a place to sleep for the night. Even the best homeless shelter is no place to raise a family.

Every study that has been done on the subject shows that large numbers of the homeless are deinstitutionalized mental patients. Where are the promised community based services, group homes, counselling centers that were supposed to accompany the policy of deinstitutionalization? I know that fulfilling this promise will cost money. Not fulfilling it will cost lives.

As you know, Mr. Chairman, I have spent 20 years working on Capitol Hill and I know the myriad demands that are made on your time, your energy, and your con- sciences. I know, too, that the budget deficit must be brought under control and that caring for those in need costs money. Believe me, I do not envy you the decisions you must make in this august body.

What I ask is that in all of your deliberations you put people first. The basic necessities of maintaining human life -- food, shelter, mental and physical care -- must always come first.

The more I learn about the magnitude of the homeless problem, the more troubled I am that we are putting bandaids on cancers. It will not work. We must find the national resolve to face the underlying issues and address them. We can, I believe, find solutions if we put the creative talents of this generous nation to work.

Mr. Chairman, I am grateful for the opportunity to testify and, again, I applaud this subcommittee for the invaluable work you do for us all. I will be happy to answer any questions.

EMERGENCY FOOD AND SHELTER
NATIONAL BOARD PROGRAM

Timeframe

	Public Law	Allocation	Date Signed	Date Awarded	Time Elapsed
Phase I	PL 98-8	$50 million	3/24/83	5/9/83	6 weeks
Phase II	PL 98-151	10 million	11/14/83	12/16/83	5 weeks
	PL 98-181	30 million	11/21/83	12/16/83	
Phase III	PL 98-396	70 million	8/22/84	10/15/84	8 weeks
Phase IV	PL 99-88	20 million	8/15/85	10/21/85	5 weeks
	PL 99-160	70 million	11/25/85	1/31/86	10 weeks
Phase V	PL 99-500	70 million	10/18/86	12/8/86	7 weeks

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EMERGENCY FOOD AND SHELTER
NATIONAL BOARD PROGRAM

Characteristics

	Phase I	Phase II	Phase III	Phase IV*	Phase V**	Total
Public Law	PL 98-8	PL 98-151 PL 98-181	PL 98-396	PL 99-88 PL 99-160	PL 99-500	
Allocation	$50 million	$40 million	$70 million	$90 million	$70 million	$320 million
Civil Jurisdictions Funded	961	839	1341	1800	1393	
Agencies Funded	3460	3627	6003	6968	5391	
Additional Meals Provided	51 million	33.7 million	60 million	74.7 million	60 million	279.4 million
Per Capita Meals	$.70	$.75	$.71	$.60	$.71	
Additional Nights Lodging Provided	6.9 million	6.3 million	18 million	27 million	18 million	76.2 million
Per Capita Shelter	$3.15	$2.17	$2.24	$1.64	$2.24	

*Phase IV figures are based on estimates and are changing as final reports are audited.

**Phase V figures are projections based on results from previous $70 million allocation (Phase III).

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REPORTING PROCESS

The Local Board is required to monitor expenditures of Local Recipient Organizations (LROs) and submit interim and final reports to the National Board. See Annex 3.1 for sample report forms. The reporting process is the same for all reports except that no documentation is required with the interim reports.

Final Report Process

1. The National Board mails Final Report forms to the Local Board.
2. The Local Board mails forms to each LRO.
3. LROs complete individual reports and return them to the Local Board Chair (selected LROs will be asked to submit their complete documentation of expenses).
4. The Local Board or its staff reviews LRO reports and documentation for specified LROs and completes the Local Board Final Report form.
5. The Local Board sends reports and documentation for specified LROs to the National Board.
6. The National Board reviews reports and documentation for specified LROs.
7. LROs which have met audit requirements are cleared by the Secretariat.

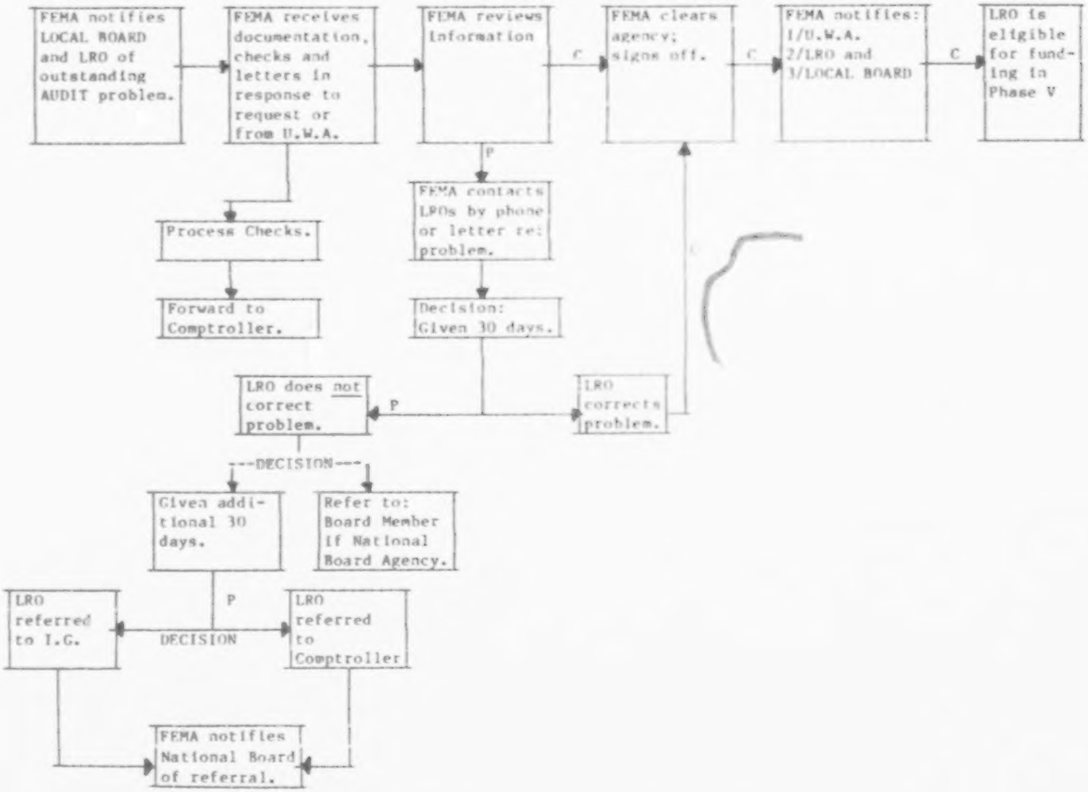
If the Local Board discovers lack of documentation, ineligible expenditures or any other problem in an LRO report, they should contact the LRO and attempt to correct the problem before submitting the report to the National Board. If the National Board discovers a problem, they will inform the Local Board and advise them of the action to be taken. It is the responsibility of the Local Board to continue working with LROs which have audit problems until they have been cleared by the Secretariat.

To avoid audit-related problems, the Local Board should ensure that LROs have a thorough understanding of the types of documentation (e.g., cancelled checks [both sides], invoices, contracts, lease agreements, eviction notices, utility bills, etc.) they must retain and the cost eligibility guidelines. **Items not listed as eligible or ineligible should not be assumed to be eligible.** Local Boards are advised to contact National Board staff for clarification on items subject to interpretation.

LROs failing to clear the National Board audit after a reasonable amount of time will be referred to the Federal Emergency Managment Agency and will remain ineligible to receive funds until audit problems are resolved.

FEMA AUDIT FOR PHASE III

AUDIT DETERMINES LRO ELIGIBLILITY FOR PHASE V


FEMA notifies LOCAL BOARD and LRO of outstanding AUDIT problem.
FEMA receives documentation, checks and letters in response to request or from U.W.A.
FEMA reviews information
C
FEMA clears agency; signs off.
C
FEMA notifies: 1/U.W.A. 2/LRO and 3/LOCAL BOARD
C
LRO is eligible for funding in Phase V
Process Checks.
Forward to Comptroller.
P
FEMA contacts LPOs by phone or letter re: problem.
Decision: Given 30 days.
C
LRO does not correct problem.
P
LRO corrects problem.
---DECISION---
Given additional 30 days.
Refer to: Board Member if National Board Agency.
P
LRO referred to I.G.
DECISION
LRO referred to Comptroller
FEMA notifies National Board of referral.

CHARACTERISTICS OF NATIONAL BOARD
EMERGENCY FOOD AND SHELTER PROGRAMS

FINANCIAL CHARACTERISTICS	ROUND I ** PL 98-8(3/24/83)	ROUND II PL 98-151(11/14/83) PL 98-181(11/30/83)	ROUND III PL 98-396(08/22/84)	ROUND IV-A PL 99-88(08/15/85)	ROUND IV-B * PL 99-160(11/25/85) (As of 2/2/87)	ROUND V PL 99-500 (As of 3/27/87)	PL 100-6
Total Federal allocation:	$ 50,000,000.00	40,000,000.00	70,000,000.00	20,000,000.00	70,000,000.00	70,000,000.00	45,000,000.00
Appropriated from FEMA to the National Board:	5/6/83 and 6/6/83	12/16/83 and 1/6/84	10/23/84 and 1/10/85	10/16/85	12/19/85	11/17/86	2/19/87
				COMBINED ROUND IV TABLE		COMBINED ROUND V TABLE	
Per capita cost for meals:	$ .70	.75	.60	.60 *			
Per capita shelter cost:	$ 3.15	2.17	1.73	1.64 *			
PROGRAM CHARACTERISTICS							
Project duration:	12 months (4/83-3/84)	6 months (12/83-5/84)	10 months (10/84 9/85)	12 months (10/85-9/86)	6 months (2/86-9/86)	10 months (11/86-9/87)	
				COMBINED ROUND IV TABLE			
	961	836	1,341	1,800 *		1,917 *	
Total organizations funded:	3,460	3,627	6,003	6,968 *		(est.) 6,500	
Percent U.S. unemployed residing in jurisdictions funded by program:	57%	59%	78%				
Number of meals served:	51,000,000	33,700,000	60,000,000	(est.) 74,700,000		(est.) 98,500,000	
Cost of meals:	$ 34,169,131	25,309,761	36,828,246				
Nights of shelter provided:	6,900,000	6,000,000	18,000,000	(est.) 27,000,000		(est.) 29,500,000	
Cost of shelter:	$ 16,796,540	13,710,545	32,029,540				
Administrative cost:	487,870	222,070	1,100,000	228,138			
Percent administrative cost	$ 1.0%	1.6%	1.4%	.4%			

* Includes State Set-Aside jurisdictions and organizations as of Round IV-B.
** Does not include $50 million distributed directly to States.
Total dolloars allocated Rounds I-V 365 million.
Total number of meals served Rounds I-V 318 million (includes est.).
Total nights of shelter provided Rounds I-V 88 million (includes est.).

EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM

Timeframe

	Public law	Allocation	Date signed President	Date award from president to NB	Time elapsed
Phase I	98-8	$50 million	March 24, 1983	May 9, 1983	6 weeks
Phase II	98-151	10 million	November 14, 1983	December 16, 1983	5 weeks
	98-181	30 million	November 21, 1983		
Phase III	98-396	70 million	August 22, 1984	October 15, 1984	8 weeks
Phase IV	99-88	20 million	August 15, 1985	October 21, 1985	5 weeks
	99-160	70 million	November 25, 1985	January 31, 1986	10 weeks
Phase V	99-500	70 million	October 18, 1986	December 8, 1986	7 weeks
Phase V	100-6	45 million	February 12, 1987	March 5, 1987	3 weeks

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS:

"EVALUATION OF THE EMERGENCY FOOD AND SHELTER PROGRAM"

THE URBAN
INSTITUTE
2100 M Street, N.W.
Washington, D.C. 20037

Project Report

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS:
"EVALUATION OF THE EMERGENCY FOOD AND SHELTER PROGRAM"

January 1985

By

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SUMMARY, CONCLUSIONS AND RECOMMENDATIONS: EVALUATION OF THE EMERGENCY FOOD AND SHELTER PROGRAM

Issues and Answers

Background

The Emergency Food and Shelter Program (EFSP), created by Congress in March 1983 as part of the Jobs Stimulus Bill (P.L.98-8), provides emergency food and shelter assistance to alleviate the problems caused by the 1981-1982 recession for recently unemployed workers, and for workers whose unemployment had lasted so long that they had exhausted their unemployment benefits. The desire of Congress has clearly been that assistance under the EFSP happen quickly, and with as little bureaucratic entanglement as possible.

Congress initially appropriated $100 million, stipulating that half ($50 million) be disbursed by the states (the State Program) and half ($50 million) by a National Board made up of representatives of private nonprofit charitable agencies (the National Board Program). Originally a one-time-only program, Congress has twice appropriated supplemental funding since the original legislation, with funds in both cases going only to the National Board Program. The second round of funding (Phase II) was appropriated in November and awarded in December 1983 and provided $40 million (P.L.98-151 and P.L.98-181); the third round (Phase III), for $70 million, was appropriated in August 1984 (P.L.98-396). The Urban Institute has evaluated Phase I and Phase II of the EFSP under a grant from the National Board Program. See the Glossary and Organizational Chart for definitions of terms and a picture of the two programs' administrative structure.

The remainder of this summary describes each major issue of the evaluation, reports the study findings, compares them with Congressional intent in creating the EFSP, draws conclusions, and makes recommendations where appropriate to promote the program's smoother functioning. When the National Board has already incorporated the essence of these recommendations in its procedures for Phase III, this is also noted.

Overall Assessment

- The overwhelming majority of people and organizations involved in the EFSP—direct service providers, Local Boards, intermediary organizations, state agency personnel and National Board members—felt that the program responded to a great need and led to greater interaction among community agencies. They viewed the program as an overall positive experience. (1:Ch.3; 2:Ch.1; 3:Ch.10)[1]
- The very large amount of emergency food and shelter which the EFSP provided came at a time when communities were experiencing great demand for services without the resources to meet that demand. In many communities agencies were swamped with clients just by opening their doors; some agencies that advertised found themselves with far more clients than they could handle, even with the EFSP. These findings attest both to the good done

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[1] The notations in parentheses in the following pages refer to the three reports written for this evaluation. A notation reading "1:Ch.3" means that fuller information on the finding will be found in the third chapter of Report Number 1. The three reports are:

1. Burbridge, L.C.; Millar, A.; Surber, M.; van Houten, T.; Colocci, M. and Burt, M.R. "An Evaluation of the EFSP:National, Regional and State Level Analysis." Washington D.C., Urban Institute Project Report, November 1984.
2. Burbridge, L.C.; Millar, A.; Goodis, T.; van Houten, T.and Burt, M.R. "An Evaluation of the EFSP:Local Boards and Intermediaries." Washington D.C., Urban Institute Project Report, January 1985.
3. Surber, M.; Burbridge, L.C.; Millar, A.; Goodis, T.; Colocci, M.; van Houten, T.and Burt, M.R. "An Evaluation of the EFSP:Direct Service Providers." Washington D.C., Urban Institute Project Report, January 1985.

by the EFSP, and to the continued need for the services it supplies. (3:Ch.6)

- With the important exceptions of timing (the State Program was much slower to disburse EFSP funds) and accountability (FEMA did not require State Program administrators to report services provided, or even which agencies got the money, so not even basic data exist for the State Program), we found few significant differences between the National Board Program and the State Program. At the local level they served essentially the same client groups, giving similar services in the same types of communities. They coordinated equally with other service providers, and perceive the same amount of continuing need in their communities. The very great degree of overlap between the two programs at the local level (more than half of our respondents received EFSP funds from both programs) accounts for these findings.

Targeting Services on Those Who Need Them

Congress intended Emergency Food and Shelter Program (EFSP) money to help the increased numbers of unemployed and other needy people for whom the recession of 1981-1982 caused hardship and an inability to meet their own needs. To what extent did EFSP funds benefit the needy?

- Funds from the National Board Program went to approximately 30 percent of the nation's counties, which were home to 57-59 percent of the nation's unemployed. Parallel data are not available for the State Program. (2:Ch.1)

- Agencies responsible for distributing money locally in both programs (National Board and State Programs) report that the long-term and recently unemployed were the groups benefiting most from the EFSP. Other groups that received a significant amount of help were female-headed households, deinstitutionalized individuals, and transients. (1:Ch.3; 2:Ch.3; 3:Ch.5)

- Most providers used EFSP funds to serve families rather than individuals. Families of long-term and recently unemployed workers, and female-headed families (many of whose heads also experienced unemployment) were high on the list of service recipients. This client population differs significantly from the "single male alcoholic" image of typical users of emergency food and shelter services, and indicates that EFSP services did indeed reach the "new poor" and other needy families affected by the recession. (3:Ch.5)

- EFSP agencies were able to fill an important gap in our system of protection for those in extreme need. Many clients receiving of protection for those in extreme need. Many clients receiving assistance from EFSP funds were also on welfare. Agencies reported that often they were able to use EFSP money to tide people over the time between applying for welfare and receiving it. (2:Ch.3; 3:Ch.5)

- Responsible local agencies in both programs report serving the same types of communities—equal proportions served urban, suburban, rural and combination jurisdictions. Thus the State Program was no more likely to fund programs in rural areas than was the National Board, despite perceptions of State Program participants that that program had less of an urban bias. The decision of administrators in both programs to target the largest numbers of needy people appears to have resulted in a very similar distribution of funds, with regions of high population density—and more needy people—receiving more money. (2:Ch.1)W

Services Provided

The need for emergency food and shelter for people suffering from the recession stimulated passage of the EFSP. Besides providing these goods, Congress also stipulated that EFSP funds should not supplant existing sources of support. All services were to be "extra," over and above what agencies had been providing before EFSP.

- Providers in the National Board Program distributed 51.3 million additional or nutritionally augmented meals during Phase I and 33.8 million additional meals during Phase II, at an average cost of $0.66 and $0.76, respectively. They provided 6.8 million additional nights of shelter during Phase I and 6.3 million nights of shelter during Phase II, at an average cost of $2.44 and $2.32, respectively. (2:Ch.1)

- Parallel data for the State Program are available only from 30 of the states that returned our mailed questionnaire. (Data reported to FEMA by State Program administrators are even less complete.) These 30 states accounted for $22.3 million (45 percent) of the $50 million allocated to the state program. These data indicate 5.5 million additional or augmented meals and 1.6 million additional nights of lodging. These figures are so low that they probably reflect incomplete reporting from providers to state agencies. (1:Ch.3)

- EFSP services most commonly took the form of food vouchers, food banks, food kitchens, congregate meals, housing vouchers, shelter accommodations, rent and mortgage assistance. Providers were able to enhance their EFSP funding through in-kind, cash or discount services from business groups, including food at cost, tax-free food, discount food vouchers, and donations of day-old goods, clothing, cash, building space and driving time for distributing food. (2:Ch.3; 3:Chs.4 and 8)

- Legislation and guidelines prohibited spending EFSP funds on many items that providers found their clients needed on an emergency basis. Chief among these were utility bills, more than one month's rent or mortgage, security deposits and prescription drugs.

- Capitol equipment such as freezers, washers and other items that would increase the efficiency of service delivery were also frequently mentioned as needed but disallowed under the guidelines. Continued EFSP funding makes it more reasonable to permit these items than when the EFSP appeared to be a one-time effort.

- Evidence that EFSP money did indeed provide "extra" services comes from several sources:

  a. The majority of providers expanded existing services. They kept their services open for additional days, opened additional program sites, served more people, and served types of clients they had not previously served, and increased the nutritional value of meals served. (1:Ch.3; 3:Ch.4)

  b. New service organizations were begun in some communities with few or no existing services. (1:Ch.3; 3:Ch.4)

  c. In a few communities, providers were able to continue offering a service with EFSP funds which would otherwise have been curtailed or stopped entirely due to lack of money. (3:Ch.4)

  d. Local funding sources did not arise to take over the expanded level of service made possible with EFSP dollars. Despite greater cooperation among agencies to provide EFSP services than many communities had experienced with other programs, most providers could not sustain the increased level of services once EFSP money ran out. (3:Ch.4)

  e. 67 percent of responding agencies actually ended up subsidizing the EFSP by working overtime, absorbing administrative costs that exceeded the EFSP ceiling, and paying less attention to other programs while working on EFSP. Far from using EFSP money to substitute for their other activities, these agencies dug into their own pockets, both literally and in the form of staff and volunteer time, to make the EFSP work. (1:Ch.3; 2:Ch.5)

- Some people want to know by what proportion to EFSP increased the amount of emergency food and shelter available in the nation as a whole. No one can answer this question, because to do so one would need to know the number of these services available before the EFSP. This figure does not exist either for the nation as a whole or for the specific providers involved in the EFSP, because many providers did not maintain equivalent records before the EFSP, and probably will not do so afterward. They did so for EFSP only because the National Board required it; the State Program does not have such data even for EFSP because FEMA did not require it.

Continued Need

The EFSP was an emergency program, designed to meet the crisis of the 1981-1982 recession. Even though the depths of the recession are past, there are indications that many communities continue to feel its impact. In addition, the chronic poverty of some communities constitutes a recurring state of emergency for many inhabitants. Does a continued need exist for EFSP services in many communities? Most people involved with EFSP think so.

- Most state agency administrators for the State Program reported a continued need for emergency food and shelter in their states. (1:Ch.3)

- Local Boards and State Program intermediaries also report continued need far beyond the capacity of local resources to meet. Most-needed continuing services include food vouchers/kitchens/banks, energy assistance, rental/mortgage assistance, shelters and housing vouchers, and coverage for prescription drugs. Approximately 50 percent of all respondents mentioned these as items of great continuing need. Other services mentioned were seen as less pressing but still important. (2:Ch.3)

- Direct service providers mentioned shelter needs as their most pressing problem, followed by emergency food and employment. (3:Ch.10)

- Most members of Local Boards, intermediary organizations and direct service providers involved with the EFSP would gladly participate in the program again, to continue to meet their community needs. (1:Ch.3; 2:Ch.1; 3:Ch.10)

Community Impact

Part of the legislative intent in creating the EFSP involved stimulating community resources to care for the needy. If new agencies and community groups were drawn into caring for the hungry and homeless, if existing agencies worked out better ways of coordinating services, or if a public-private partnership developed from EFSP that included cooperation among non-profits, businesses, government agencies and funding sources, and volunteer activities, one would judge that the EFSP had fulfilled this aspect of the legislative intent. To what extent did the EFSP have an impact on local communities? And, do EFSP participants see any benefit or legacy from the EFSP that will continue to help their communities to give emergency food and shelter to the needy?

- About 70 percent of EFSP communities reported that some community agencies and groups previously uninvolved in providing food and shelter were drawn into the service network as a result of EFSP. High on the list of newly involved groups were churches and synagogues--exactly the types of grassroots organizations whose participation may make it easier for people not used to taking "charity" to accept emergency services. (2:Ch.4)

- 70-75 percent of EFSP participants coordinated service delivery with local welfare offices; 63-66 percent worked with the Surplus Commodities Program, 29-32 percent used energy assistance programs and almost one fourth cooperated with job training programs. These data indicate a very high degree of inter-agency cooperation in delivering EFSP services. (2:Ch.4)

- More than 60 percent of Local Boards and State Program intermediaries felt that the EFSP increased the interaction among service providers in their area. This was true within the non-profit sector, and between non-profits and public officials. Cooperation took many forms, including establishing or expanding a referral system for clients, coordinating client intake information, centralizing food or shelter service development or distribution, and mass buying. Most respondents credited the EFSP with creating an increased level of public-private cooperation,often including local businesses as well. They also thought that their communities were more responsive to the EFSP than to other government programs with which they had experience. (2:Ch.4; 3:Ch.9)

- About 70 percent of Local Boards and intermediaries thought that the EFSP had definitely or probably left a lasting imprint on their communities. They thought that the networks formed to provide EFSP services could prove helpful in dealing with food and shelter problems post-EFSP, and with other community problems as well. (2:Ch.4)
- The EFSP prompted at least 6 states to organize a state level emergency food and shelter effort.
- Nevertheless, despite the considerable enthusiasm for the EFSP and its effects on their communities, only a handful of respondents reported being able to attract enough local money to continue the EFSP services once EFSP funding had been used up. By and large, the non-profit agencies involved in EFSP have been hard-pressed to compensate through fundraising for decreased federal support ever since the major federal program changes of 1981-1982. In response to our inquiry, they report constantly high fundraising efforts, and cannot distinguish regular from EFSP fundraising. They are very clear, however, that they could not raise enough money to continue the EFSP services. (3:Ch.4)

Fairness

During the EFSP's existence, some concern has been voiced about how fairly the program's funds have been distributed. Issues include whether agencies unaffiliated with those that had representatives on the National Board or on Local Boards would receive funds, whether private agencies would receive money from the State Program, and whether only the larger and better established agencies that were accustomed to receiving government grants would get support. Perceptions of fairness are somewhat complicated, because someone might know that more large agencies than small agencies got money, yet might believe that this distribution was fair because those agencies were better able to provide the services and handle the paperwork. "Facts" rarely settle issues of fairness — what is or is not fair lies solely in the feelings and perceptions of individuals. Here we report both facts and perceptions addressing the question, "How fair was the EFSP?"

- Nationally, less than 50 percent of the National Board's EFSP funds in Phase I and Phase II went to agencies affiliated with those whose representatives sat on the National Board. Further, approximately 10 percent of the money that did go to affiliated agencies went to church and ministerial associations and Jewish federations that are not usually considered "establishment" providers. Many of these "agencies" were ad hoc groups of the type expressly desired by the EFSP. (1:Ch.2)

- At the middle level of the EFSP administrative structure, more than 60 percent of the Local Boards (National Board Program) report giving half or more of their money to agencies that had members on the Local Board. Both intermediaries and direct service providers in the State Program were more likely to be Community Action Agencies (CAP agencies) than was true for the National Board Program, and many were public agencies (which the EFSP legistaltion did not allow under the National Board Program). 50 percent of Local Boards and 40 percent of intermediaries (State Program) report giving more than half of their money to private voluntary organizations that did not usually get government grants. Thus in both programs money was more likely to go to and through agencies with connections to the state agency or Local Boards, but this bias is not severe, and was probably appropriate (see next point). (2:Ch.2)

- Direct service providers in both programs indicated in our telephone survey that they thought money had tended to go more to the larger and more established agencies (although they also said this tendency was not extreme), but they also said the decision to give the larger agencies more money was the right one, because those agencies were already providing similar services and were therefore better prepared to handle the demand and to develop expanded services quickly. (3:Ch.3)W

Timing and Responsiveness

How responsive were the two programs — the National Board Program and the State Program — to the urgency of the need and the intent of Congress to create a program capable of emergency response? Also, did the speed with which the program was put into action affect its ability to provide the right services to the right people, at the best price?

- The speed with which the National Board was able to get EFSP money into local communities during Phase I impressed many people with the responsiveness and flexibility of the non-profit sector in dealing with a situation that Congress viewed as a national emergency. The National Board had selected the communities it would fund within two weeks of receiving federal funding. It then gave local communities two weeks to decide which providers would get grants, and how big the grants would be. The first checks to providers went out two weeks after the initial notification of local communities. (1:Ch.1)

- By July 8, 1983 the National Board had disbursed nearly $45 million of its $50 million appropriation; by mid-August had reallocated all available funds; by the end of September 1983, which was also the last date on which EFSP funds could be spent or encumbered, the National Board had allocated or reallocated not only its $50 million, but an additional $0.7 million of earned interest. (1:Ch.1)

- In contrast, although approximately half of the states had adopted a state plan and/or finalized their regional allocations within a month of receiving EFSP money in April 1983, by July 30, 1983 60 percent of the states had not disbursed any EFSP money, and only 35 percent of the total $50 million EFSP allocation to the states had been distributed to local service providers. (1:Chs.1 and 3)W

- Delays in state allocations occurred because state agencies: a) needed legislative authorization to spend the money (5 states); b) had to write program regulations (5 states); c) had to go through a proposal request, assessment and award process (10 states); d) waited to coordinate their allocations with National Board allocations (3 states); or e) encumbered their funds because they wanted to meet winter food and shelter needs. (Undoubtedly there were also less officially acceptable reasons for the delay.) (1:Ch.3)

- By September 1983 half of the state agencies had disbursed all of their EFSP funds, and 68 percent had distributed 90 percent or more. Many of the remaining states encumbered their funds (committed them to a particular purpose, without disbursing them, to save them from going back to the Treasury) by the September 30 deadline, with the consequence that many service providers did not receive their State Program allocations until September or later (1:Ch.3; 3:Ch.3).

- Given the emergency nature of the EFSP, the National Board Program was clearly more responsive to the legislative intent than the state agencies receiving money through the State Program.

- The short time frame of the EFSP came in for criticism from many participants at all points in the EFSP structure. (1:Ch.3; 2:Ch.1; 3:Ch.3 and 10) Difficulties cited by numerous participants included not enough time:

  a. to develop local criteria for deciding what services to offer and for selecting providers that truly reflected community needs;

  b. to publicize the program widely, so that some agencies that would have been able to supply appropriate services were not included in consideration for EFSP funds;

  c. to plan efficient and effective use of funds through greater coordination, cooperation, centralization, mass buying, food storage, etc.;

  d. to check client eligibility adequately, or to develop procedures to assure nonduplication of services;

  e. to save resources for the times of greatest need (usually, this meant winter);

  f. during Phase II, these problems were even more severe because, although most providers and Local Boards had more experience with the program, they received Phase II money during the Christmas holidays, and had only 4 months to spend $40 million, compared to 9 months to spend $50 million during Phase I.

- In defense of the National Board, the guidelines allowed for Local Boards to adjust their initial allocations after their Plan was approved. Using this provision, any Local Board could have used more time after approval to rectify whatever part of the process it felt had suffered due to the short time frame, shifting money between allocations for food and shelter, and redistributing allocations among agencies as well. National Board flexibility is reflected in approval of Plans as late as mid-August 1983 when the deadline was May 31, and provisions for Local Boards to make whatever reallocations they deemed necessary, and simply inform the National Board so the records would be accurate. In fact, many Local Boards took advantage of this opportunity, but still complained about the constraints they felt their initial Plan imposed on them.

- For the State Program in Phase I, some of the difficulties in getting the money out stemmed from state requirements for state agency fiscal procedures, and the fact that the EFSP money became available at a time when it could not be fit into states' regular appropriation and funding processes. This reality definitely poses a problem when state and other public agencies are called upon to react on an emergency basis to federal funding, but would be less of a difficulty if the EFSP became a predictable source of funding and could be worked into the states' routines. The National Board Program would also benefit from greater predictability. (1:Ch.3)
- The unpredictable funding pattern of the EFSP to date makes smooth planning and consistent service delivery difficult at all levels, from national to local. Especially if an agency has mounted a special effort to provide EFSP services, dismantling that structure when money runs out and then having to rebuild it when new funding arrives is a very inefficient way to run an agency.

Administrative Cost Allowances

How adequately did the amount allowed for administration in the EFSP legislation cover the cost of running the EFSP? How many agencies had trouble meeting administrative expenses when these exceeded the ceiling, and how did they do it? Could they continue to incur excess administrative costs not reimbursed by EFSP, or are they only willing and able to do this because they are responding to an emergency? If Congress continues to fund the EFSP, what would be a reasonable administrative cost ceiling?

A few facts will help to set our findings in context. The EFSP legislation limited administrative costs to only two percent (2%) of the total appropriation, regardless of how many different levels or agencies were involved in administering the program. The National Board Program had three levels:the National Board itself, the Local Boards, and direct service providers. During Phase I the National Board waived administrative expenses, leaving 2 percent to be divided among Local Boards and providers. During Phase II the National Board took 1 percent (using half for evaluation), leaving only 1 percent for the other levels.

The State Program had five levels: FEMA at the national level, FEMA regional representatives, state agencies, intermediary organizations (which acted like Local Boards in deciding local allocations), and direct service providers. FEMA did not take any of the administrative allocation at either the national or regional levels; the state agencies took 1 percent, and 1 percent was left to split among intermediaries and providers.

- Virtually no one involved with the EFSP found the administrative cost allowance adequate.

- At every level, agencies reported "borrowing" from non-EFSP resources available to them to help cover administrative costs. Almost 60 percent of the state agencies report using CSBG and other funds for this purpose; United Way of America, the fiscal agent and secretariat for the National Board, absorbed over $300,000 in administrative costs during Phase I; 67 percent of Local Boards and intermediaries report using their own funding to cover EFSP administrative costs, and 81 percent of direct service providers report similar patterns. (1:Ch.3; 2:Ch.5; 3:Chs.8 and 10)

- 49 percent of intermediaries and 67-70 percent of Local Boards report using volunteers to help them absorb unreimbursable administrative costs. Far fewer agencies succeeded in raising additional funds specifically for the EFSP—13 percent of intermediaries and 7-9 percent of Local Boards. (2:Ch.5)

- Professional and clerical staff time to run the EFSP posed the greatest administrative cost problems to all agencies. Professional time was used for planning, supervising, determining eligibility, coordinating, looking for bargains and more efficient ways to run the program, coordinating with private sector donors and decision makers, and overseeing the actual program operations. Included in professional staff time, although not technically professional, are activities such as buying, preparing and serving food, clean-up, doing the laundry, supervising shelters, delivering meals, negotiating with landlords and utility companies (for clients), etc. Clerical time was spent on recordkeeping, distributing vouchers, documenting services, keeping books, etc. While agencies in both programs experienced difficulties with these items, intermediaries reported special problems with transportation and telephone expenses, presumably because more of them covered large multi-county areas and had to supervise programs covering a larger geographical area. (2:Ch.5)

- The average administrative cost rate for normal agency operations, among both Local Boards and intermediaries that had a "usual overhead or indirect cost" rate, was 9.6 percent. All respondents felt they could easily have met EFSP costs with this rate, and most respondents thought they could do it with less. (2:Ch.5; 3:Ch.8)

- The recommended administrative cost ceiling was 4-6 percent at the local level, with the National Board continuing to take 1 percent for itself. (2:Ch.5; 3:Ch.8)

Recommendations

1. Continue the EFSP on a regular, predictable basis.

The evidence from this evaluation has shown that the EFSP met a great need for emergency food and shelter services in the United States, and that the need continues in many communities. The National Board Program's ability to target resources on jurisdictions with greatest need seems quite high, and has been increased with the addition of poverty statistics to its formula for allocating EFSP dollars to specific communities. Without the assurance that money will continue to be available for these services on a regular basis (provided a jurisdiction continued to meet certain clearly specified and relatively simple criteria of need), the efficiency and effectiveness of every participant in the EFSP, from the National Board to local service providers, will be impaired.

2. Increase the administrative cost allowance to 4-6 percent of total grant funds for the local level, plus an additional 1 percent for the National Board's administrative expenses.

Near unanimity exists among EFSP participants at the local level that the amount currently allowed for administration under EFSP is inadequate to meet the costs of running the program, even with heavy use of volunteers. Continued reliance on agencies' willingness to divert their other resources to subsidize the EFSP will quickly lead to fewer and fewer agencies being willing to participate in the program. The original emergency nature of the EFSP called forth extra effort, which agencies report that they were willing to provide, but which resulted, in some agencies, in reduced attention to other programs and increased staff "burnout." It is not fair to the agencies that put in this emergency effort, on the assumption that it was a one-time thing, to assume that they can continue to absorb the financial and human costs of such a program on a regular basis.

3. Extend the time allowed to develop plans, so they can advertise fully, coordinate adequately and realize savings from mass buying and other efficiency techniques.

The emergency conditions of EFSP Phase I, and to some extent Phase II, justified the very short time frame imposed on Local Boards. However, if EFSP continues to receive renewed funding, the combination of uncertainty and periodic frenzy becomes less justified.

(For Phase III the National Board has allowed Local Boards one month to develop their Plan, and has imposed requirements that Local Boards notify all potential providers, and that their planning include the development of cooperative ways to maximize what the EFSP gets for its money. These new provisions respond to many suggestions made from the local level, and should increase the EFSP's ability to embrace the whole community. It might also be helpful for the National Board to highlight the fact that Local Boards can change their Plans during the EFSP cycle, so that those who expressed a need for flexibility after Plan approval would understand clearly that the National Board supports their continued efforts to plan coordinate and achieve efficiencies in service delivery.)

4. Continue to require program accountability, in its present form (program audits and reports of meals served and nights of lodging provided).

The National Board's system of accountability has made it possible to find the Local Boards and direct service providers involved in the program (to include them in our data collection activities), and to report the actual levels of service provided with EFSP funds. The lack of equivalent data from the State Program is painfully evident, and accounts for our inability to report what that program accomplished. To continue the ability to report program accomplishments to Congress and other interested parties, maintaining the accountability system is essential. If possible, its usefulness could be enhanced even more by focusing some attention on reporting categories. It would help to develop categories for reporting meals that separate whole meals from nutritional enhancement of meals that would have been served anyway. More highly differentiated categories would also help for shelter services, or at least guidelines for how to count different ways of providing shelter.

5. Refund the State Program in addition to the National Board Program, UNDER THE CONDITIONS THAT (1) the EFSP becomes a regular, predictable federal program rather than an emergency program; (2) FEMA requires the states participating in the program to meet the same accountability standards that the National Board has set; (3) reauthorization is contingent on successful completion of an evaluation that includes full program documentation similar to that of the National Board Program; and (4) the formula for distributing money to the states follows National Board Phase III precedent rather than relying on the Community Services Block Grant (CSBG) formula.

We make this recommendation because the presence of the two funding streams during EFSP Phase I had certain advantages. The first advantage was the state agencies' ability to channel EFSP support to needy communities not captured by the National Board's formula (which had to rely on nationally available data rather than on first-hand knowledge of local communities). The second advantage was the increased cooperation within both programs between public and private sector agencies, arising from the fact that both funding streams existed and furthered communication and coordination. This expansion of public-private cooperation was one of the hopes of the EFSP legislation; it should and can be further fostered under the right circumstances.

The two failures of the State Program were its relative inability to respond quickly to the emergency nature of the EFSP, and its poor record of accountability. Predictable funding that can be processed within states' regular budget development framework would compensate for the first difficulty. Requiring program documentation and providing both the categories and the forms to use for reporting should correct the second difficulty. States are, after all, quite used to reporting things to the federal government, but rarely undertake this task unless required to do so. Finally, the CSBG formula for distributing money among states does not incorporate the latest available data most relevant to local need for emergency food and shelter.

(The formula developed by the National Board during Phase III, which uses both unemployment and poverty statistics, is probably a better reflection of where the need exists. It should be adapted for use at the state level (rather than the county level as the National Board does), thereby giving the states an allocation based on the National Board formula, but permitting state agencies to distribute funds to the local communities they can document as having the most need, using additional criteria as necessary.)

6. Allow any EFSP money left over at the end of an authorization period to roll over and be available to spend during the next authorization period.

Although very little National Board EFSP money remained unspent or unencumbered at the end of Phase I and Phase II (0.8 percent and 2.2 percent, respectively), if the program continues to be refunded it makes sense to roll that money over into the next spending period rather than return it to the Treasury because the need is clearly there.

7. Provide guidelines for Local Boards describing ways to plan and develop EFSP services that leave a permanently expanded service base in the community once EFSP money has been used up.

Either as part of the guidelines, as special bulletins, or as an outcome of the "exemplary program" project now underway, describe for Local Boards some ways to use EFSP funds that have the for Local Boards some ways to use EFSP funds that have the potential to leave behind a permanent legacy of expanded service capability.

8. Include payment of one month's utility bills in allowable costs.

(The National Board has already incorporated this recommendation in the guidelines for Phase III.)

9. Examine guidelines for provisions that may constrain service delivery in rural areas, and expand provisions to allow for service structures better fitted to these areas.

The clearest example of a difficulty posed for rural areas by the present guidelines is the prohibition on paying salaries. In most rural areas, needy families are widely distributed geographically, and coming to a central location is both expensive for them and often a practical impossibility. Rural providers need drivers to distribute food vouchers, grocery bags and other needed items, but cannot pay them under present guidelines. The National Board might institute a mechanism for special waivers to pay drivers if rural areas can document a need to distribute EFSP services in this way.

Methods

Data reported in this summary come from several sources. Here we describe the telephone surveys, mail questionnaire surveys, interviews, National Board files and other techniques that provided the information for this evaluation. With each method and each sample, we asked questions covering many of the same areas: how decisions got made, what services were offerred, who received services, impact of the EFSP on the provider community and integration with other services, ongoing need, administrative issues, and recommendations. Respondents answered these questions from their own unique organizational perspective (national, regional, state, local administrator and local service provider).

National and Regional Interviews

We conducted in-person interviews with all members of the National Board and with the FEMA staff located in Washington. Telephone interviews covering the same material reached the ten FEMA regional representatives responsible for administering the State Program.

State Agency Administrators

We mailed a questionnaire covering factual and technical details of program administration to the 53 state agency administrators responsible for the EFSP. Forty states returned this questionnaire. We also interviewed all 53 state administrators by telephone to get their opinions of the EFSP. The questionnaire and the telephone interview protocol can be found in our first report from this evaluation (see footnote 1).

Local Boards and Intermediaries

Local Boards were responsible for determining local allocations of EFSP funds -- deciding which agencies got how much to give which clients what services. Twenty-eight (28) state agencies used intermediaries at the local level to serve essentially the same function. These intermediaries were often local government agencies or CAP agencies, but also included National Board Program Local Boards and state-level voluntary charitable organizations. Thirty-nine (39) state agencies gave EFSP funds directly to service provider agencies. Twenty-seven (27) states did both.

We sent questionnaires to a stratified random sample of 500 Local Boards, based on United Way of America lists of funded jurisdictions, and received 289 completed questionnaires (a 58 percent response rate).

Since FEMA could not produce a list of all the intermediaries or direct service providers that received EFSP money through the State Program, we had to rely on state administrators to send us these lists. Although we asked all state administrators to mail these lists to us, only 13 complied. Probably these were the states most able to do so, and therefore the most organized states with the best system of accountability. We do not know whether the remaining states would not, or could not, send us the information we needed, but we suspect that at least some of them could not. These 13 states provided a total of 255 intermediary organizations, all of which received questionnaires. We received completed questionnaires from 129 (51 percent). Altogether, these response rates are excellent for mailed questionnaires, and reflect the EFSP participants' interest in and commitment to the program. Copies of the questionnaires can be found in our second report from this evaluation (see footnote 1).

Direct Service Providers

We conducted telephone interviews with a sample of direct services providers chosen for their various relationships to the EFSP. They are not in any way a random sample of providers, but do represent important different types of providers, with different perspectives on the EFSP. We interviewed 22 providers who only received money from the State Program; 30 National Board Program providers affiliated with large national charitable organizations (e.g., Red Cross, Salvation Army, Catholic Charities); 29 National Board Program providers who were unaffiliated with national organizations, and were often local food kitchens, churches, shelters and other grassroots operations; 10 agencies who received National Board Program funding, but would refuse to participate again; and 10 agencies that did not receive any EFSP money from either program. The telephone interview protocol used with this sample can be found in our third report for this evaluation (see footnote 1).

National Board Records

The National Board maintained computer files for all Local Boards and direct service providers receiving EFSP support during all phases of the program. We used these files to select samples for our mailed questionnaires and telephone surveys. We used provider feedback to the National Board to select providers who received no funding, and those who said they would not participate in the program again. We used summary statistics compiled by the National Board from its own files to report total number of meals served and nights of shelter provided, the average cost of these services, the distribution of EFSP funds over types of agencies and regions of the country, and other similar data. We used the financial data contained in the individual records of direct service providers. Finally, we regularly checked with the staff responsible for maintaining National Board records for corroboration of survey results where those were available.

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STATEMENT OF
JACK MOSKOWITZ
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GOVERNMENT RELATIONS
UNITED WAY OF AMERICA
BEFORE THE
COMMITTEE ON GOVERNMENTAL AFFAIRS
U.S. SENATE
ON THE URGENT RELIEF FOR THE HOMELESS ACT (S. 809)

March 30, 1987

The Emergency Food and Shelter Program, created in the 1983 Urgent Supplemental Appropriations Bill, has proven to be a highly successful example of public/private cooperation. Since its inception, $365 million has been allocated for use by local charitable shelters and food banks in all the states and territories. With the funds, local organizations have provided over 317 million meals and nearly 88 million nights of lodging.

This undertaking has been managed quickly, efficiently and at minimal cost. Checks were sent to local providers within 30 days after each appropriation was received. The National Board of voluntary agencies in conjunction with the Federal Emergency Management Agency (FEMA) developed an allocation formula for local communities based on need. Local boards, composed of representatives of local voluntary charitable organizations and a local public official then made allocations to provider agencies in an open process. Local community leaders, planners and agency professionals who work with the poor participated in the decision making. Thus, the decisions were made by those closest to the problem. This remarkable system has been so well received and so successful that Congress has seen fit to make eight separate appropriations to the program. The benefits are not only the quick and timely distribution of funds to those in need, but also the enhancement of the ongoing major efforts by private charities to shelter and feed our needy population. Nevertheless, our local United Ways report that even with this effort, resources are still strained. Thus, we are delighted to see that the Congress proposes to continue this remarkable program.

The Urgent Relief for the Homeless Act (S. 809) has three provisions important to the continued success of the program: (1) legislative authorization; (2) an increase in the cap on administrative costs from the current 2% to 5%; and (3) a carryover provision on funds not obligated.

Though the program has received eight congressional appropriations, it has never been authorized. No congressional charter has been written. S. 809 will give the program continuity and answer constitutional questions over the composition of the national board. Program continuity brings predictability. The sporadic nature of the appropriations process has caused gaps in service and has precluded effective planning.

United Way of America supports FEMA's active role on the board and its assistance in managing the program. It would be unwise to lose their expertise and experience. The authorizing language proposed in the bill accomplishes this.

The increase in the cap on administrative costs is essential. Carrying out the program has taken a heavy toll on the local providers who run the soup kitchens and shelters. In the initial appropriation, when it was thought that this was a one-shot program and the needs would diminish, all the agencies waived the 2% allowable administrative costs. United Way of America contributed approximately $300,000 to administer the program nationally. Since that time, the needs have increased. As a result, the burdens on both professional and volunteer staff have risen exponentially. Our agencies report to us that they are now strained to the breaking point. They want the program to continue, but they believe that the 2% cap on allowable costs should be increased modestly.

The Urban Institute documented the actual costs to the agencies at almost 10%. The National Board of voluntary agencies is on record as supporting allowable costs in the 4-6% range.

Out of these concerns, United Way of America's Board of Governors in December 1986 passed a resolution supporting authorization of the program and the National Board's recommendation to increase the administrative cap to 4-6%. Boards of local United Ways have adopted similar resolutions. The resolution and a list of the United Way of America Board of Governors are attached.

The bill's carryover provision would allow the National Board to distribute over a million dollars a year for food and shelter needs that previously had to be returned to the Treasury. These funds are unexpended usually because many small communities are unable or unwilling to participate and in some cases the grant application does not meet National Board criteria.

The provision in the bill requiring shelters to provide case management services is laudable, but may add unnecessary complexity to the program. The program's overwhelming success has been due, in part, to its simplicity. At present the majority of local agencies funded do provide some measure of case management services. An independent evaluation of the first two program appropriations by the Urban Institute found that the program has positively impacted the delivery of human care services in local communities. About 75% of agencies receiving funds coordinated service delivery with local welfare offices; about 65% worked with local commodities programs; 30%

used energy assistance programs; and almost 25% cooperated with job training programs. United Way of America firmly believes that social services and government support programs are essential in helping the homeless achieve self-sufficiency and is ready to work with this committee to reach the goal of the case management provision without placing undue burdens on the program, itself.

In closing, I would like to say United Way of America does not see this program as providing a long-term solution to our nation's problems of hunger and homelessness. We and the approximately 7,000 public and private agencies who provide services to the hungry and homeless see this program as an important support while more permanent solutions are being developed. We increasingly hear that the problems of housing shortages, deinstitutionalization of the mentally ill and continued high levels of unemployment in certain parts of our country are the major causes of hunger and homelessness. Such problems require well-devised solutions.

I thank you for this opportunity to present our views on this vitally important program and I'm happy to respond to any questions you may have.

Emergency Food and Shelter National Board Program

Summary Results

-- Total appropriation (1983-present)	$365 million
-- Total meals served through September 1987 (projected)	317.9 million
-- Total nights lodging provided through September 1987 (projected)	87.7 million
-- Typical number of public/private agencies funded	6,000-7,000
-- Number of cities/counties funded per phase	1,900

UNITED WAY OF AMERICA

RESOLUTION CONCERNING UNITED WAY SUPPORT FOR EMERGENCY FOOD AND SHELTER PROGRAM

Since 1983, Congress has appropriated $320 million for Emergency Food and Shelter Program. These funds are administered by the Federal Emergency Management Administration (FEMA), and by a national board that includes representatives from FEMA, United Way of America, Catholic Charities, National Council of Churches, Salvation Army, Council of Jewish Foundations, and Red Cross. The program has been highly successful. United Ways enthusiastically support the program as a model of private/public sector co-operative effort.

Though the program has received four Congressional appropriations, it has never been authorized. No Congressional charter has been written. Until there is an authorization, the program will not have permanent status and will be subject to criticism in Congress. A Congressional authorization will give the program continuity and solve two other problems. First, constitutional questions have been raised over the composition of the National Board. Secondly, the two percent cap on administrative costs falls short of the actual costs, estimated to be about ten percent.

The principals of the charities of the National Board met and recommended support of an authorization bill that would provide for a free standing board appointed by the Executive Branch to answer the Constitutional questions and that would ease the local cost of service delivery by increasing the administrative cost allowance cap to the 4-6% range.

Therefore, United Way of America Government Relations Committee recommends that United Way of America Board of Governors support (1) the recommendation of the Emergency Food and Shelter National Board, (2) urge local United Way Boards to pass similar resolutions of support, and (3) call upon local United Way volunteers and professionals to communicate with their members of Congress on this issue.

Adopted at the Government Relations Committee meeting of December 5, 1986.

Adopted at the Board of Governors meeting of December 10, 1986.

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March 1987

PREPARED STATEMENT OF DENNIS KWIATKOWSKI

GOOD MORNING MR. CHAIRMAN. I'M PLEASED TO COME BEFORE THE SUBCOMMITTEE TO REPORT ON A RARE SPECIES OF GOVERNMENT PROGRAM. IT IS A PROGRAM, THAT WHILE KEEPING A DELIBERATELY LOW PROFILE, IS WELL KNOWN AND RESPECTED THROUGHOUT THE COUNTRY. IT IS A PROGRAM THAT IS TEMPORARY, IN FACT UNAUTHORIZED, BUT IS NOW ENTERING ITS FIFTH FUNDING CYCLE. IT IS BOTH A PUBLIC AND PRIVATE PROGRAM WHICH IS BASED HERE IN WASHINGTON BUT HAS ITS VITAL DECISIONS MADE AT THE LOCAL LEVEL. THE PROGRAM I'M DESCRIBING IS THE EMERGENCY FOOD AND SHELTER (EFS) PROGRAM.

THIS PROGRAM WAS FIRST ESTABLISHED IN PUBLIC LAW 98-8, THE JOBS BILL OF 1983. SINCE THAT TIME, IN SEVEN SEPARATE PIECES OF LEGISLATION, IT HAS BEEN INSERTED IN APPROPRIATION BILLS ON A "REGULAR" BASIS. PERHAPS THE MOST SINGULAR ASPECT OF THIS PROGRAM IS THAT ITS GOALS, RULES AND ADMINISTRATION ARE CARRIED OUT BY THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD. THIS BOARD IS COMPOSED OF A REPRESENTATIVE FROM FEMA AS CHAIRMAN AND INDIVIDUALS AFFILIATED WITH UNITED WAY OF AMERICA, THE SALVATION ARMY, THE NATIONAL COUNCIL OF CHURCHES, CATHOLIC CHARITIES USA, THE COUNCIL OF JEWISH FEDERATIONS, AND THE AMERICAN RED CROSS WHO ARE DESIGNATED BY THE DIRECTOR OF FEMA, JULIUS W. BECTON, JR.

WE ARE AWARE THAT OTHER GRANTS PROGRAMS HAVE ADVISORY PANELS OF JURIES THAT MAKE RECOMMENDATIONS ON AWARD SELECTIONS. BUT THE EFS NATIONAL BOARD IS A TRULY UNIQUE COLLABORATION BETWEEN THE PUBLIC SECTOR AND THE PRIVATE VOLUNTARY SECTOR DUE TO THE DEGREE OF INVOLVEMENT IN THE PROCESS BY THE NATIONAL BOARD. FOR IT IS THIS BOARD THAT ESTABLISHES THE CRITERIA FOR PARTICIPATING IN THE PROGRAM AS WELL AS THE RULES GOVERNING THE PROGRAM. THE BOARD MEMBERS AREN'T JUST THERE FOR SHOW, THEY ARE WORKING PARTNERS IN THIS EFFORT.

LET ME NOW BRIEFLY SUMMARIZE HOW THIS PROGRAM WORKS. WITH EACH ROUND OF FUNDING, THE BOARD ESTABLISHES CRITERIA TO QUALIFY JURISDICTIONS IN NEED OF SUPPLEMENTAL FUNDING FOR FEEDING AND SHELTERING WORK. THE CRITERIA IS BASED ON UNEMPLOYMENT STATISTICS PROVIDED TO US BY THE BUREAU OF LABOR STATISTICS AND POVERTY STATISTICS FROM THE CENSUS BUREAU. WE CHOSE THESE INDICATORS BECAUSE THEY ARE GENERALLY AVAILABLE, NATIONWIDE IN SCOPE AND GIVE US SOME GRASP OF ECONOMIC DISLOCATIONS THAT CAN RESULT IN A NEED FOR THE FUNDS WE CAN PROVIDE. THE BOARD BELIEVES IT'S IMPORTANT TO SET UP SOME STANDARDS OF NEED TO INSURE THAT THE FUNDS FOR A NATION-WIDE PROGRAM ARE GENERALLY TARGETED, BUT NOT SPREAD SO WIDELY THAT THEY WOULD HAVE LITTLE IMPACT.

WHAT ALL OF THIS MEANS, SPECIFICALLY, IS THAT FOR OUR LAST FUNDING ROUND DURING FY '86, THE $70 MILLION APPROPRIATED TO THE BOARD WAS DISTRIBUTED TO ABOUT 1,800 JURISDICTIONS WHICH IN TURN ALLOCATED THE FUNDS TO APPROXIMATELY 7,000 LOCAL VOLUNTARY AGENCIES AND LOCAL GOVERNMENTS. THE BOARD ALSO REALIZED THAT, THOUGH OUR CRITERIA WAS AS FAIR AS WE COULD MAKE IT, INEVITABLY SOME AREAS OF NEED WOULD BE MISSED. TO COMPENSATE FOR THAT VERY REAL PROBLEM, WE SET UP STATE SET-ASIDE BOARDS, WHICH ESSENTIALY MIRROR THE MAKE-UP OF THE NATIONAL BOARD, IN THEIR MEMBERSHIP WITH STATE OFFICIALS REPLACING THE FEDERAL PRESENCE. THESE STATE BOARDS ARE CHARGED WITH REVIEWING OUR SELECTIONS IN THEIR RESPECTIVE STATES AND THEN RECOMMENDING TO US OTHER JURISDICTIONS WITHIN THE STATE DESERVING OF FUNDS. THESE AREAS ARE THEN AWARDED GRANTS WE HAVE "SET ASIDE" FOR THAT PURPOSE.

HAVING EXPLAINED HOW THE FUNDS ARE SENT OUT, I'LL NOW EXPLAIN THE MECHANISM THAT IS THE HEART OF THIS PROGRAM: THE LOCAL BOARDS OF THE EFS PROGRAM. WHEN A LOCAL JURISDICTION HAS BEEN SELECTED, WE MAKE CONTACT AT THE LOCAL LEVEL THROUGH THE UNITED WAY OR RED CROSS OR A LOCAL GOVERNMENT. WE ASK OUR LOCAL CONTACT TO IMPANEL A LOCAL BOARD THAT REFLECTS THE NATIONAL BOARD AND ANY OTHER LOCAL ORGANIZATION ACTIVE IN THIS WORK. THIS LOCAL BOARD THEN ADVERTISES OUR PROGRAM TO ALL PUBLIC AND PRIVATE ORGANIZATIONS CAPABLE OF PROVIDING EMERGENCY FOOD AND SHELTER SERVICES.

PLEASE NOTE THAT THIS IS A SUPPLEMENTAL PROGRAM, SO THE LOCAL BOARDS ARE ADVERTISING AVAILABLE FUNDING TO EXPAND ONGOING, SUCCESSFUL PROGRAMS RATHER THAN CREATING NEW ONES. IN THIS MANNER, WE ARE ASSURED THAT THE FEDERAL FUNDS ARE USED FOR FEEDING AND SHELTERING ACTIVITIES. THE LOCAL BOARDS THEN, HAVING REVIEWED BOTH THE COMMUNITY NEEDS AND THE PROGRAMS AVAILABLE, MAKE THE CRUCIAL FUNDING DECISIONS. BY SETTING UP THIS PROCESS, WE BELIEVE WE'VE PUT THE DECISION-MAKING PROCESS INTO THE HANDS OF PEOPLE BEST ABLE TO MAKE A FAIR AND EFFECTIVE CHOICE. THE LOCAL BOARDS THEN SEND TO US A BOARD PLAN OF WHICH AGENCIES WILL BE FUNDED AND THE EXTENT OF THE FUNDING. OUR STAFF THEN FUNDS THOSE AGENCIES DIRECTLY, AND THE LOCAL BOARD, AND OUR STAFF, MONITOR THE EXPENDITURE OF FUNDS.

WE'VE BEEN RUNNING THIS PROGRAM, IN THE MANNER I'VE JUST DESCRIBED, SINCE 1983. AND WHEN I SAY "WE," I'M REFERRING NOT JUST TO THE BOARD AND MY STAFF AT FEMA, BUT PARTICULARLY TO UNITED WAY OF AMERICA. THE UNITED WAY ACTS AS THE BOARD'S FISCAL AGENT, BUT THAT OFFICIAL TERM DOESN'T BEGIN TO DESCRIBE THE GREAT CONTRIBUTION THE UNITED WAY HAS MADE TO THE SUCCESS OF THE PROGRAM. SO I'LL SAY TOGETHER, SINCE 1983, WE'VE DISTRIBUTED ALMOST 220 MILLION MEALS AND ABOUT 58 MILLION NIGHTS OF SHELTER. IN PER CAPITA TERMS, THAT AMOUNTS TO ABOUT 75 CENTS PER MEAL AND A COUPLE OF DOLLARS FOR A NIGHT'S SHELTER. THESE RESULTS SPEAK VOLUMES OF THE RESPECT FOR TAX DOLLARS SHOWN BY THE NATIONAL, STATE AND LOCAL BOARDS. BUT SUCH EXTRAORDINARY NUMBERS REQUIRE FURTHER EXPLANATION.

AS I NOTED EARLIER, THE PROGRAM IS NOT AUTHORIZED AND OUR FUNDING LEVELS HAVE FLUCTUATED WITH VARIOUS APPROPRIATIONS ACTIONS. WE HAVE WORKED ON AN AD HOC BASIS WITH VERY LIMITED TIME FRAMES. THE PROGRAM HAS HAD ONE CONSTANT: BY LAW, EACH ROUND OF FUNDING HAS HAD A TWO PERCENT CAP ON ADMINSTRATIVE COSTS. WE AT THE BOARD USE THREE QUARTERS OF A PERCENT AT THE NATIONAL LEVEL SO THIS LEAVES ONLY ONE AND A QUARTER PERCENT FOR LOCAL PROVIDERS. IN OTHER WORDS, WE DON'T HAVE TO PONDER OR QUESTION WHERE THE MONEY IS ACTUALLY GOING. WE BELIEVE THAT WE ARE ACHIEVING THE PROPER FEDERAL GOAL IN THIS AREA: SUPPLEMENTING, BUT NOT REPLACING OR FORECLOSING, LOCAL FINANCIAL EFFORTS.

CENTRAL TO THE PROGRAM IS THE ABUNDANCE OF IMAGINATION AND RESOURCEFULNESS AT THE LOCAL LEVEL. MY STAFF AND I HAVE MET WITH LOCAL BOARDS IN CHICAGO, PHOENIX, MINNEAPOLIS, FORT WORTH AND SEATTLE, TO NAME JUST A FEW. WE HAVE BEEN PLEASED TO FIND HOW OFTEN OUR FUNDS NOT ONLY ARE MATCHED BUT ALSO MULTIPLIED, AND THUS ARE LEVERAGING, RATHER THAN REPLACING, LOCAL EFFORTS. WE HAVE BEEN DELIGHTED TO FIND THAT THE VERY PROCESS OF FORMING LOCAL BOARDS HAS RESULTED IN NEW AND VIBRANT COALITIONS AT THE LOCAL LEVEL. THESE GROUPS HAVE BEEN ABLE TO SHARE THEIR INSIGHTS, JOINTLY TARGET COMMUNITY NEEDS AND AVOID DUPLICATIVE EFFORTS. WHETHER IT IS A LOCAL BOARD LINING UP VOLUNTEER BUILDING INSPECTORS TO REVIEW SHELTER CODE COMPLIANCE OR OBTAINING MATCHING FUNDS FROM LOCAL GOVERNMENTS OR COMBINING DIVERSE FEEDING EFFORTS INTO A NEW COMMON FOOD BANK, WHAT IS GRATIFYING IS THAT WHAT I'M DESCRIBING IS LOCAL INITIATIVE, LOCAL EXPERTISE, AND, OBVIOUSLY, LOCAL CARING AND CONCERN. THESE EFFORTS DEMONSTRATE THE CONTRIBUTIONS OF VOLUNTEER TIME MADE BY CITIZENS THROUGHOUT THE COUNTRY.

THE EMERGENCY FOOD AND SHELTER PROGRAM WAS NOT SOLICITED BY FEMA, BUT WAS PLACED THERE BY CONGRESS. WE ARE NOT A SOCIAL SERVICE AGENCY. WE ARE NOT EXPERTS ON SOLVING THE CAUSES OF HUNGER OR HOMELESSNESS. BUT WE ARE EQUIPPED BY OUR LONG HISTORY IN DISASTER RESPONSE OPERATIONS, TO RESPOND RAPIDLY TO EMERGENCY SITUATIONS. WE ARE ABLE TO CREATE PROGRAMS RESPONSIVE TO ACUTE NEED. AND WE ARE CAPABLE OF LEARNING. PERHAPS OUR GREATEST LESSON HAS COME FROM WORKING ON THE NATIONAL BOARD WITH THE NATIONAL VOLUNTARY ORGANIZATIONS.

THESE ORGANIZATIONS, AND PARTICULARLY THE OUTSTANDING MEN AND WOMEN WHO REPRESENT THEM ON THE BOARD, HAVE DEMONSTRATED THAT COMPASSION AND RESPONSIBILITY, CONCERN AND ACCOUNTABILITY, ARE NOT HOPELESSLY ODD COUPLES BUT NECESSARY PARTNERS IN ADMINISTERING A SPECIAL FEDERAL PROGRAM. THEY HAVE BEEN SUPPORTIVE, IN FACT DEMANDING, IN INSURING THE INTEGRITY OF THIS PROGRAM. (FOR EXAMPLE, THE SUBCOMMITTEE SHOULD KNOW THAT UP THROUGH FY '86, THE BOARD HAS INSISTED ON THE SUBMISSION OF EVERY INVOICE AND CANCELLED CHECK FROM EVERY LOCAL AGENCY RECEIVING FUNDS FROM THIS PROGRAM.) EACH ORGANIZATION HAS ALSO BEEN AN ESSENTIAL CONDUIT OF ACCURATE INFORMATION TO THEIR RESPECTIVE AGENCIES AT THE LOCAL LEVEL. IN EVERY INSTANCE, THEY HAVE PLACED THE HEALTH OF THIS PROGRAM ABOVE ANY ORGANIZATIONAL INTEREST. SITTING HERE IN A TOWN WHERE "TURF" WARFARE IS THE NORM, THAT HAS BEEN A REFRESHING DEVELOPMENT.

IN THE PRESIDENT'S BUDGET FOR FY 1989, HE HAS REQUESTED $80 MILLION FOR THIS PROGRAM AT FEMA. WE BELIEVE THAT THE FUNDS ALREADY APPROPRIATED FOR FY 1987 AND PROPOSED FOR FY 1988 FOR FEMA ARE SUFFICIENT. MOREOVER, WE WOULD NOTE THAT HAVING FEMA'S CURRENT PROGRAM AUTHORIZED FOR FY 1988 WILL HELP US SIGNIFICANTLY TO PLAN AND EXPAND UPON THE PROGRESS ACHIEVED TO DATE. AS I'VE MENTIONED, WE AT FEMA ARE NOT EXPERTS IN THIS FIELD, BUT WE CAN SEE WHEN SOMETHING IS WORKING WELL. WE ARE PROUD OF OUR WORK WITH THE EFS NATIONAL BOARD AND WOULD BE HAPPY TO SEE IT CONTINUE. THANKS FOR YOUR TIME AND ATTENTION. I'D BE HAPPY TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.

TESTIMONY OF DEBORA D. KRAMER

Mr. Chairman, Members of the Committee, it is a pleasure to appear this morning to testify on behalf of the Committee for Food and Shelter on the Urgent Relief for the Homeless Act. Since its inception in 1983, the Committee for Food and Shelter, a private, non-profit, national organization, has functioned as a catalyst, public educator and facilatator. In our capacity as a clearinghouse providing information and technical assistance to public and private agencies across the country. For the past year we have with the Advertising Council sponsored the National Food Stamp Information Campaign, aimed at alerting the millions of eligible non-participants to eligibility, benefits and the application process of the Food Stamp Program.

The Committee for Food and Shelter would like to congratulate the leadership for developing this multifaceted approach to the serious and growing problems of homelessness cross this country. The extent of these problems has been documented in numerous studies conducted over the past several years, the results of which present a startling picture of homelessness. What they have found is that most of the homeless are in their thirties, most have high school diplomas, some are working in marginal jobs at wages insufficient to provide housing for their families. Included in their numbers are single men and women, entire families with young children, disaffected youth, Vietnam veterans, those who are chronically mentally ill. Clearly this is not a homogeneous population; it is one whose single common denominator is the lack of a place to call home.

The reasons for individuals' homelessness are as diverse as the population themselves. Some are homeless because of the scarcity of low income housing in cities, some because of insufficient community based services for chronic mental illness, others because of their lack of skills required for the jobs available in the service economy, some because the complexity of income maintenance programs has prevented them from securing these benefits, others because of substance abuse. The diversity embodied in the population and the varied reasons behind their homelessness calls for the multi-faceted approach embodied in the legislation under consideration today.

We agree with the finding that the current response by states, units of local government and private voluntary organizations has been unable to stem the growth in the numbers of homeless across the nation. Private agencies have mobilized their resources and agreed to work together in greater numbers than at any time since the 1930's. And they have made a difference. They are providing food and shelter to many more who are homeless than in previous years, but the numbers of those in need have continued to grow. We believe that the Federal government has the responsibility and the capacity to exert its leadership to provide a more cohesive response to the problems.

Therefore we support Title I of this bill which would establish an Interagency Council on the Homeless composed of the Secretaries and Administrators of all key federal agencies with jurisdiction over programs that are germane to the problems of the homeless. We believe that the need for such an independent entity as the Council exists and we recommended the creation of a coordinating group some years ago. We believe the work of the current Federal Task Force has been hampered by its lack of official sanction. We agree that the complexity of the problems surrounding homelessness and the need for a cohesive coordinated response requires Council membership at the highest level so that the implementation of its recommendations will be assured.

We support the functions of the Interagency Council as set forth in Title I, but question whether an authorization of $200,000 is sufficient to carry them out, particularly when the Council has also been charged with approving homeless assistance plans as specified in Title IV and evaluating the job training demonstrations created by Title VII. We think, too, some consideration should be given to requiring the establishment of regional structures similar to the Interagency Council.

Title III of the Act authorizes the $50,000,000 already appropriated under Public Law 100 - 6 for emergency food and shelter grants through the national and local FEMA boards in fiscal year 1987. Because of the explosive growth in the numbers of homeless persons over the past year, we believe that these monies are necessary to meet the compelling needs for emergency food and shelter. Understanding the complexities of administering these programs leads us to support the increase in the cap on administrative costs from two percent to five percent.

Part C of Title III which authorizes $20,000,000 for the provision of case management services by all government or private non-profit agencies receiving support under the FEMA provisions merits some comment. The efficacy of providing case management services to the homeless population cannot be questioned. These services have frequently been the only vehicle by which coordinated efforts on behalf of individual clients have occurred. What can be questioned is how the monies allocated for this purpose are to be distributed and monitored. $20,000,000 divided among all 7,000 programs that have been supported through the FEMA boards will provide only token case management services within each of these programs. We believe that the Act should make other provisions for the distribution of these monies so that adequate case management services for a smaller number of programs can be supported.

We believe that the language of the Act should contain provisions for the monitoring of the proposed case management services.

We question why the language on case management services does not specify assistance in obtaining health and mental health services in addition to social services and income maintenance services. And we wonder why in instances where these services are to be arranged for they are to be provided by community action agencies supported under Community Services Block Grants. We believe that there are other agencies equally qualified to provide these services.

Section 401 of Title IV requires states, urban county and metropolitan city recipients of funds to submit a comprehensive homeless assistance plan to the Interagency Council. The plans requirement for assessment of the size and characteristics of the homeless population, development of a strategy for meeting the varied service needs of the population, and monitoring of performance by the entity developing the plan is important. Requiring performance evaluation of the plans by the Interagency Council is also important but is another indicator of the inadequacy of the authorization for the Council.

Title IV makes an additional $80,000,000 available to support the emergency shelter grants program administered by the Department of Housing and Urban Development and $60,000,000 in additional transitional housing monies. We recognize that the continuing growth of the numbers of homeless people requires the expanded emergency shelter grants program, and we support the expansion of the transitional housing program which is designed to move individuals towards independent living.

The expansion of the Section 8 components of the United States Housing Act provides for an increase in rental assistance and an increase in monies available for the rehabilitation of single room occupancy facilities. Targeting this rental assistance for the elderly and homeless families with children will insure expanded availability of permanent housing for this portion of the population. We are glad that the Act contains these provisions for transitional and other housing assistance.

We believe that the language in section 395 of Title V, which excludes the chronically mentally ill from receiving mental health services under this provision will create substantial administrative problems and will inhibit coordination of services to this particularly vulnerable population. We strongly urge the deletion of this exclusion from section 395.

Under section 395 (b) (2), we suggest the addition of emergency mental health and substance abuse services to the list of required emergency services. Emergency health services alone will not meet the emergency health care needs of the homeless population.

We suggest that the health care services permitted under this provision include on-going case management which is a critical component of effective health care delivery for the homeless. Finally, we suggest that the language in this section include provision for off-site service delivery which may be required to reach some of the homeless. Outreach services should therefore be added to the requirements for service provision.

Our analysis of the emergency mental health services section of the Act finds that the administration of this program is unclear and there are no funds set aside for evaluation of the program. We believe that the National

Institute of Mental Health should be responsible for administering this portion of the Act. We also see the need for provision of a national technical assistance effort linked to this portion of the Act.

We suggest, too, the need for a tight definition of the chronically mentally ill population "at risk of becoming homeless individuals." We believe that health and mental health services should be included in the list of services coordinated through case management and that supervised services should be offered to those individuals participating in transitional and long-term housing programs, not restricted to those individuals outside of these programs.

We are aware of the need for special provisions that insure educational opportunities for homeless children and so support the legislation's requirement for state agency plans. Similarly, we support the requirement for adequate transportation to school and the homeless child's eligibility for whatever specialized educational program he/she may require. Section 602's provision for exemplary grants should permit the development of innovative educational programs and the means for disseminating information about them.

Job training services that address the particular needs of homeless individuals are an important component of a program that seeks to move them back into the community. The $10,000,000 in demonstration funds provided in Title VII will offer the opportunity for development of specialized job training services for this population. Requiring the provision of in-shelter training as a component of each project should insure access to the program by those most in need.

The Committee for Food and Shelter has particular expertise in food stamp information, for we conceived of and have operated a Food Stamp Information Campaign in conjunction with the Advertising Council. This program has been in existence since February 1986 and it was designed to provide information about food stamps to those people eligible for but unaware of the Food Stamp Program.

We support the provision in Title VIII that permits food stamp outreach activities by the state agencies to individuals who are homeless. And we support the provision requiring the provision of food stamp coupons no later than five days after application by homeless households meeting the income and resource criteria of the program. Our office is filled with letters from applicants who have had to wait much longer than five days for their coupons and who are clearly desperate for the assistance the coupons provide.

The authorization of outreach activities to the homeless coupled with the five day requirement should assist in the timely provision of food stamp coupons to eligible homeless individuals and families.

Finally, we support the authorization of additional monies for the Temporary Emergency Food Assistance Program that will be targeted to programs serving the homeless.

Mr. Chairman, this legislation touches on many aspects of the problems associated with homelessness; nutrition, housing, education, job training, health and mental health, and emergency services. This is what is required if we are going to make a dent in this alarming problem. We applaud the effort but believe that changes could be made in order to improve the effectiveness of this Act.

To create the Interagency Council on the Homeless and to give it a mandate as encompassing as that contained in this legislation without the resources to carry it out would be very near-sighted. Bringing resources to bear in a coordinated and comprehensive manner to meet the complex needs of the homeless population requires funds in excess of $200,000. To conduct the planning, monitoring, and evaluation activities asked of the Interagency Council is a large order, one that requires staff to carry it out. Coordination of this expanded federal effort is vital to the future success of this program.

We would like to underscore the importance of case management services for the homeless population. We applaud the intent behind requiring case management services of all FEMA grantees but do not feel that adequate resources are being made available for this purpose. Rather than diluting these resources by requiring case management services in all 7,000 programs, why not limit the number of programs in order to insure that quality services can be provided by those programs receiving these funds. As the legislation stands, the proposed authorization would permit $1600 to each program for case management services.

We reiterate our suggestion of adding case management services to the health portion of this Act and of removing the exclusion of the chronically mentally ill from receipt of mental health services. And we ask that mental health and substance abuse services be added to the list of required emergency health care services.

We would like to see a definition of those chronically mentally ill who are "at risk of becoming homeless" added to the legislative language, along with identification of the agency responsible for administering the mental health provisions of the Act. Finally, we ask that a national technical assistance effort and evaluation requirement be added to the mental health service component of the legislation.

Thank you for giving us this opportunity to share our views on this very significant piece of legislation. We are happy to see the Senate address this complex and troublesome issue with legislation that touches on many facets of the problem and makes an attempt at coordinating the federal response to the problem by setting in place the Federal Interagency Council on the Homeless. Passage of this Act will indeed bring urgent relief to the homeless.

PREPARED STATEMENT OF DEE ROTH

Testimony before United States Senate Committee on Governmental Affairs
on Senate Bill 813 of Omnibus Senate Bill 809
"Urgent Relief for the Homeless Act"
March 30, 1987

Good morning, my name is Dee Roth and I am the Chief of the Office of Program Evaluation and Research in the Department of Mental Health in the State of Ohio. I am pleased to represent the Department and the State this morning to present testimony to the Committee on Senate Bill 813. Ohio has had a relatively long history in developing policy and services that are responsive to persons who are homeless or in danger of becoming homeless. My own participation has been as a researcher, being the principal investigator on a research project, funded by the National Institute of Mental Health, that is the largest and most comprehensive study on homeless individuals in this country to date. I have been fortunate to have had the opportunity to present the findings of that research to policy makers within Ohio and in a number of other state and national forums. I am very pleased to say that Governor Richard F. Celeste and the directors of the Cabinet agencies in Ohio in the area of Human Services have been interested and responsive to the problem of homelessness and in particular to what we found in our research. We have accomplished a great deal in Ohio on behalf of homeless persons, and I am happy to have this opportunity to present our thoughts about the Urgent Relief for the Homeless Act to an Ohio Senator, Chairman of this Committee, and to other members of the Committee.

I have been asked to comment specifically on the first three titles of the legislation, which are being considered by the Committee today. The first Title pertains the authorization of an Interagency Council on the Homeless, composed of a number of federal agencies who are currently members of the HHS Federal Task Force. I applaud you in taking that step, as we have done in Ohio through the development of an ongoing "Cabinet Cluster", composed of representatives of human services agencies in Ohio whose activities could be involved in any way with homeless persons. Such a policy group is necessary at all levels of government if we are to effectively put together both a short-term and a long-term strategy for homeless persons. One of our most startling findings in the research conducted in Ohio was that there was a lack of knowledge and a lack of agreement among service providers at the local level about both the nature and the extent of homelessness in their communities. The kind of shared knowledge that can come from an interagency council such as you propose, can be a first step in dealing with fragmentation, overlapping of responsiblity and gaps in services to this population.

Perhaps the most important conclusion that can be drawn from our study is that homelessness is a complex, multifaceted problem for which no one sector of the system is totally or even primarily responsible. Therefore, it is crucial that all the sectors of the system must come together as a group to play their appropriate parts in developing solutions to the problems.

Title Two refers to surplus property and indicates that each federal agency must specifically identify excess property under its control as suitable for use for shelter and/or services to homeless individuals. While this title is important as written, it does not refer to the ability to use the surplus property, if it would be land, to help build permanent, single-family or multi-family housing units which are so desperately needed in our communities. I urge the Congress as well as the eventual implementors of this legislation to consider such an opportunity.

Title Three pertains to FEMA provisions and case management. Let me first speak to the FEMA provisions. Again, you have seen the wisdom of bringing together a National Board as well as local community providers, funders and interested persons into a collective effort for decisions to be made regarding the allocation of resources. I would hope that you would also call for similar activity at the state level, insofar as this is possible within these provisions. Most states have at least some activities on behalf of homeless persons going on at the state level, and it would be important to have these activities coordinated with those of the Local Boards.

Your statements with respect to the Local Board providing shelter and related services with emphasis on assisting in transition from temporary shelter to permanent homes is vital. I would urge you to strengthen wherever and however possible the emphasis on permanent homes and innovative methods to accomplish such. It might seem rather obvious in a study of homelessness, but the first and foremost finding from our research is that 100% of our subjects did not have a permanent and stable place to live--something I would urge the Committee not to lose sight of in its deliberations on this legislation.

The second part of Title Three, with respect to case management, again is a commendable provision. However, conducting research in the area of case management in Ohio, I can also tell you that there is a high probability for problems of fragmentation to exist if there is more than one case management system operating in local communities. This can be a waste of valuable resources. A brief story illustrates my point. Our Department held a forum in Cincinnati last year on "How To Improve Services". A young man who was mentally ill was in attendance and told us he thought it would help if he "did not have to break in so many new case managers" in so many new systems!

That admonishment must pervade our thinking when we make arrangements for services which may not match the needs of the individuals in the shelters, on the streets or living marginally in their own home or someone else's home. This is not to say that case management is not needed, but only to say that it is a very difficult and complex task and if not done well can exacerbate the problems that many individuals who are homeless now face. Here, more than in any other part of the language you are considering, you need state and local partnership, because many state-level programs are presently responsible for case management services.

Let me close by saying again that we applaud your efforts in all Titles of the Urgent Relief for the Homeless Act including the three Titles being considered here today. I would like to finish with two comments that pertain to all Titles of this act including the three I have just commented on. We have conducted some very policy-relevant research in Ohio--with the homeless population and more recently in the course of a housing task force the Department organized to help set policy on the housing needs of persons with mental illness. We found that needs tend to be complex and multifaceted, but we also found that regardless of the degree of mental illness or mental health problem, the single most pervasive life circumstance facing the person with mental illness who is in danger of losing their home or is homeless is that they have limited income. The average annual income for a person with mental illness in the State of Ohio is $2,000 a year. Without adequate income support, housing remains a vague reality. Secondly, we found a major and growing need for permanent low-income housing. Regardless of a variety of other needs facing persons who are homeless, the issue of permanent housing is our major obstacle. We find it interesting that deinstitutionalization of persons with mental illness in our state occurred primarily in the late 1960's and early 1970's, yet problems of homelessness did not emerge as a major social issue until the early 1980's. We submit to you that, although we need the temporary provisions stated in this act, the evidence is clear that permanent and long-term solutions are also necessary. I thank you again and appreciate the time, Mr. Chairman and members of the Committee, that you have given me to speak to these issues.

Highlights—Homelessness in Ohio: A Study of People in Need

SUMMARY

Social network:

75% have relatives; 36% have relatives they can count on for help.

Most people who have relatives have had contact with them recently (median = 14 days).

67% have friends; 41% have friends they can count on for help.

Most people who have friends have had contact with a week.

Heath problems:

31% said they had physical problems they thought they should see a doctor about.

32% said they used drugs or medications; most were prescribed for them by a doctor.

19% said they had been drinking a lot the past month; 45% said "some."

27% said they have sought help for drinking problems at some time in their life.

Mental Health Status:

31% demonstrated the presence of psychiatric symptoms that would require the need for mental health services. These individuals were judged psychiatrically impaired.

54% presented characteristics or behaviors that are often related to psychiatric impairment, but that are also related to life on the streets, e.g. dirty or disheveled appearance, inappropriate behavior, flattened affect and the like.

For respondents who reported having any type of mental hospitalization, 45% were found to be free from psychiatric symptoms; 54% were found to have at least one symptom area that could be considered a problem.

The Psychiatrically Impaired Group:

Could not be distinguished from the non-impaired in terms of marital status, sex, or age. However, women displayed fewer behavioral characteristics often associated with impairment.

33% of white respondents were impaired compared to only 26.7% of black and 17.9% of other ethnic respondents.

County of residence (urban versus rural) did not relate to overall psychiatric status or need for mental health services, but those interviewed in rural counties evidenced fewer behavioral characteristics often associated with impairment.

The psychiatrically impaired group had been homeless longer mean number of days=347; median = 90) than other respondents (mean number of days=520; median=60).

There was no indication that psychiatrically impaired homeless persons were more or less transient than the remainder of those interviewed.

45.3% of the impaired group reported physical health problems compared to 24.6% of the others.

PREPARED STATEMENT OF DR. HARVEY R. VIETH

Mr. Chairman and members of the Committee, as Chairman of the Federal Task Force on the Homeless, I am pleased to have the opportunity to testify before you today on S. 813, the "Urgent Relief for the Homeless Act". My testimony will focus on Title I of the bill, which would establish an Interagency Council on the Homeless. We defer to other federal agencies with expertise concerning Titles II and III of the bill.

Ongoing Federal Activities

The Federal Government is currently doing a great deal for the homeless. For instance, it has committed $260 million in outlays specifically for the homeless in FY 1987, in addition to the various federal entitlement programs that many homeless are eligible for and participate in.

In FY 1987, over $6 billion in various block grants are available to be used by State and local governments for homeless-related activities. These include the Social Services Block Grant, the Community Development Block Grant, the Community Services Block Grant, the Temporary Emergency Food Assistance Program, and the Alcohol, Drug Abuse and Mental Health Block Grant.

In FY 1988, the Administration will continue to fund the entitlement programs and the block grant programs. In addition, the 1988 Budget proposes $100 million in new budget authority for various homeless programs, including the

Emergency Food and Shelter Program, HUD's Transitional Housing Demonstration Program, the Homeless and Runaway Youth Program, and funds for renovating military facilities to be used as shelters. The 1988 Budget also proposes to fund a National Clearinghouse on the Homeless that would operate under the aegis of the existing Federal Task Force on the Homeless. It will be funded at a level of $250,000 each in 1987 and 1988.

The Task Force on the Homeless that I currently chair is headquartered in the Department of Health and Human Services and will continue to operate as long as it is needed to deal with the homeless problem. The role of the Task Force is to coordinate and monitor federal efforts to help the homeless. We identify existing resources that can be used to help the homeless; identify and remove red tape and other barriers to the use of those resources; act as a facilitator or broker among local governments, shelter providers, and federal agencies, when our assistance is requested; and serve as a source of information and technical assistance for the White House, Congress, and the public. In carrying out these roles, the Task Force has identified over 70 federal programs that can be used to help the homeless, including block grants, discretionary funds, and entitlement programs. We have negotiated ten agreements with federal agencies to support local food and shelter operations, and have worked with other agencies to help identify actions they can take to help the homeless. For instance, the Social Security Administration and the Veterans Administration have established programs to reach out to homeless individuals who may be eligible for benefits they administer. As part of these outreach activities, staff provide information on benefit requirements to shelter operators, and even travel to shelters and soup kitchens to talk with the homeless about their potential eligibility.

The Task Force is also working with local and state governments in their efforts to deal with the homeless, and is working with the business and nonprofit/religious communities in forming public-private partnerships. For example, we have worked closely with the Robert Wood Johnson Foundation, as well as with HUD and several other federal agencies, in an evaluation of the Foundation's Program for the Chronically Mentally Ill, which will be operating in 9 cities.

Comments on S. 813

We certainly share the concerns of Congress and the public over the plight of the homeless, as is shown by the activities we already have undertaken. However, the Administration strongly opposes establishing an independent, permanent Interagency Council on the Homeless as proposed in S. 813. Creating such a Council would not improve upon the existing Federal Task Force on the Homeless. In addition, it would impose burdensome reporting requirements and disrupt lines of communication and decision making.

The existing Task Force currently performs most of the same functions as S. 813 proposes for the Council. The addition of the National Clearinghouse, which will operate under the aegis of the Task Force, would make the overlap of functions with the Council provision in S. 813 almost complete. The Administration's proposal for a National Clearinghouse will work better than establishing a Council, because the Clearinghouse will act as a disseminator of information and technical assistance to State and local governments, as well as to the private sector, on resources available for the homeless. Providing assistance to those actually serving or wanting to serve the homeless will be of more direct help to the homeless than a new bureaucratic structure in Washington, D.C.

With the limited resources that are available under the current deficit situation, it is important to maintain the flexibility to direct resources to the most pressing problems. The existing Task Force will continue operating as long as needed. Creating an independent bureaucracy in statute often prevents rapid and effective resolution of a problem because there is insufficient administrative flexibility to change the current structure to respond to changes affecting the basic problem. In addition, the natural tendency of a bureaucracy is to justify its independent, continued existence through expanding its jurisdiction or diverting its efforts to "new" problems.

Finally, the burdensome reporting requirements of S. 813 would divert attention and resources from assisting the homeless to counting them and tabulating federal homeless efforts. The Council would inappropriately assume a research role when it should be primarily a facilitator and coordinator, as is the existing Federal Task Force on the Homeless.

* * * * *

Thank you for the Committee's interest in this vital issue. I would be happy to answer any questions you may have.

PREPARED STATEMENT OF JAMES W. STIMPSON

Mr. Chairman and members of the Subcommittee, thank you for inviting the Department of Housing and Urban Development to testify on S.813, "The Urgent Relief for the Homeless Act."

Dr. Vieth, as Chairman of the Interagency Task Force on the Homeless, has described the Task Force's activities and the Administration's comments on S. 813. The Department of Housing and Urban Development is a member of the Task Force and I would like to describe some of the specific activities we have undertaken with respect to the homeless and comment briefly on S.813.

Over the past three years the Department has worked to insure that the resources of both its housing and community and urban development programs are used by States and cities to help the homeless. Our objectives are to help provide shelter and services for homeless families and individuals and to help them move from temporary shelter to permanent housing. In many cases we have worked directly with cities and public housing authorities and, in some instances, directly with providers. Today a variety of HUD programs are being used. Let me mention just a few examples:

-- Communities across the country are using HUD CDBG funds on a regular basis to undertake a wide variety of activities tailored to the needs of their local homeless populations.

-- For example, New York City has used more than $20 million of its CDBG funds to repair city-owned, tax-foreclosed apartments to provide housing for homeless families.

-- Los Angeles is using CDBG funds to rehabilitate Single Room Occupancy housing.

-- Detroit has used $300,000 in CDBG funds for operating expenses for a homeless shelter, and $100,000 more for mobile health care to serve the homeless.

-- Chicago is using $1 million in CDBG funds for homeless shelter rehabilitation.

Since 1983, cities have used over $100 million in CDBG funds to provide shelter and services for their homeless populations.

Public housing also is being used in many communities to provide long-term housing for homeless families. Cities such as New York and Philadelphia are using an "emergency" classification to admit homeless families, particularly those with small children, ahead of waiting lists and are admitting them in an average of three months time. HUD works with housing authorities which do not now have the ability to use an emergency admission procedure to make this change as quickly as possible.

To preserve the dwindling supply of single room occupancy (SRO) housing, such as low cost residential hotels, and provide permanent housing for the many single individuals among the homeless, the Department has made SRO housing eligible for the housing voucher program, the Section 8

Existing and Moderate Rehabilitation programs, the Rental Rehabilitation program, and the Housing Development Grant program.

We have also worked to demonstrate ways in which Section 8 certificates, one of HUD's largest and most flexible housing assistance programs, can be used. In 1985, the Department asked its Regional Offices to reserve part of their allocation of Section 8 certificates to support local homeless efforts. This was done in several areas around the country and we have continued to emphasize tnat these housing resources can be used for the homeless.

In the HUD FY 1987 appropriation bill passed in October 1986, funds were made available for two new programs--an emergency shelter grant program and a transitional housing program. The Department's commitment to helping State and local governments is demonstrated, I believe, by the rapidity with which we developed proposed regulations and allocated funds for the new $10 million Emergency Shelter Grant program. Within 60 days of enactment, States and cities had been informed of their allocations under the program, and proposed regulations governing the program had been published in the Federal Register. Those funds are now in the hands of the cities and States.

Final guidelines for the Transitional Housing Demonstration Program will be issued shortly, with $5 million to be awarded to projects by the end of the Fiscal Year. We are committed to getting the money to the people who need it and expect the projects selected to be operating by December 1987.

Transitional housing is designed to help the homeless make the transition from the streets or shelters to independent living in the community, by providing a combination of housing and supportive services. This demonstration program will allow us to test combinations of housing and services for a range of groups among the homeless, including alcoholics and other substance abusers, victims of domestic violence, and families with children.

The Department has also joined with the Robert Wood Johnson Foundation in an initiative to address the needs of the chronically mentally ill, a group that needs specialized housing with supportive services in order to live successfully in the community. The national demonstration is an excellent example of cooperation between the private sector and Federal, State and local governments. It is designed to support the development of city-wide mental health authorities to coordinate a range of community-based programs and supervised housing for the chronically mentally ill.

HUD is providing 1,125 Section 8 certificates to be used to provide housing assistance in connection with the initiative. Cities participating in the demonstration are: Denver, Colorado; Honolulu, Hawaii; Baltimore, Maryland; Charlotte, North Carolina; Cincinnati, Columbus and Toledo, Ohio; Philadelphia, Pennsylvania; and Austin, Texas. Successful use of Section 8 certificates in connection with this demonstration can show the utility of this major housing resource for the chronically mentally ill.

The problem of homelessness in America is complex and varied. It is important that all levels of government--Federal, State and local--and the private sector work together to address the needs of this group. In this respect, we should not lose sight of the fact that virtually all Federal programs designed for the nation's poor can also serve the homeless, and in most instances, do serve them. A recent report on the nation's public assistance system identified 59 major Federal public assistance programs that are administered by Federal agencies.

In FY 1985, Federal and State governments spent $132 billion on these programs. They include, among others, cash assistance, food, housing, health services, job training, education, and social services--the major areas we focus on in addressing the needs of the homeless.

If these programs are not reaching the most needy of our citizens, then it is an agency's responsibility to identify and make the changes to facilitate outreach that are needed. The Interagency Task Force has performed a useful function and has worked effectively in identifying resources for the homeless and in serving as a source of information and technical assistance. The new National Clearinghouse should substantially improve the Task Force's ability in this respect. But the responsibility for delivering services and resources to the homeless must, and should, remain with each agency.

We do not, therefore, support the creation of a permanent new homeless office with separate staff that would, in effect, duplicate what is already being done under the existing Task Force structure.

Thank you for the opportunity to appear before you today. I would be glad to answer any questions you may have.

STATEMENT BY SENATOR ALAN J. DIXON

MR. CHAIRMAN, I AM PLEASED TO EXPRESS MY STRONG SUPPORT FOR THE LEGISLATION BEING CONSIDERED THIS MORNING BY THE GOVERNMENTAL AFFAIRS COMMITTEE. IT IS A PART OF THE COMPREHENSIVE EMERGENCY LEGISLATION, INTRODUCED BY THE MAJORITY LEADER, SENATOR BYRD, WHICH SEEKS TO ADDRESS THE SERIOUS PROBLEMS FACED BY OUR HOMELESS POPULATION ACROSS THE NATION. I WAS AN ORIGINAL COSPONSOR OF THIS LEGISLATION AND A MEMBER OF THE INFORMAL SENATE TASK FORCE ON THE HOMELESS WHICH CRAFTED THIS BIPARTISAN COMPROMISE.

I FIRST STOOD ON THE SENATE FLOOR, ON MARCH 26, 1985, AND PROPOSED A NATIONAL ENDOWMENT FOR THE HOMELESS. THE ORIGINAL CONCEPT BEHIND THE ENDOWMENT WAS TO IMPROVE THE LINKAGE BETWEEN PUBLIC AND PRIVATE INITIATIVES TO ASSIST THE HOMELESS. OUR OTHER INTENT WAS TO MAKE THE ENDOWMENT A CLEARINGHOUSE FOR INFORMATION ABOUT PROGRAMS WHICH AID THE HOMELESS AND FOR COLLECTING DATA ABOUT THIS POPULATION. THIS HAS BEEN A DIFFICULT POPULATION TO SERVE DUE TO THE LACK OF ACCURATE DATA AVAILABLE ON THE NUMBER OF HOMELESS PERSONS THROUGHOUT THE NATION. IN THE PAST YEARS, WE HAVE HEARD THE ADMINISTRATION ESTIMATE THAT THERE ARE AS FEW AS 250,000 HOMELESS PERSONS, AND WE HAVE HEARD PRIVATE ORGANIZATIONS ESTIMATE THAT THERE ARE AS MANY AS 3 MILLION HOMELESS PERSONS. THERE IS A GREAT NEED FOR US TO KNOW THE SIZE AND THE SPECIFIC NEEDS OF THIS POPULATION. THIS NEED IS GROWING.

FOR THESE REASONS, I STRONGLY SUPPORT THE CREATION OF THE INTERAGENCY COUNCIL ON THE HOMELESS. THIS PENDING LEGISLATION EXPANDS THE EXISTING TASK FORCE ON HOMELESSNESS WHICH IS ALREADY A PART OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES. THE BOARD IS COMPOSED OF REPRESENTATIVES FROM THE DEPARTMENTS OF AGRICULTURE, COMMERCE, DEFENSE, EDUCATION, ENERGY, HEALTH AND HUMAN SERVICES, HOUSING AND URBAN DEVELOPMENT, INTERIOR, LABOR, AND TRANSPORTATION, AS WELL AS ACTION, THE GENERAL SERVICES ADMINISTRATION, THE UNITED STATES POSTAL SERVICE, AND THE VETERANS ADMINISTRATION. THE COUNCIL WOULD BE AN INDEPENDENT BODY WHICH WOULD ASSESS THE SPECIAL NEEDS OF THE HOMELESS AND REPORT TO CONGRESS ON POSSIBLE SOLUTIONS. THE NEED FOR AN INDEPENDENT COUNCIL IS CLEAR, AND I HOPE THE COMMITTEE WILL SUPPORT ITS INCLUSION IN THIS LEGISLATION.

OVER THE LAST TWO YEARS, I HAVE WORKED, ALONG WITH MANY OF MY COLLEAGUES, TO ADDRESS THE MANY PROBLEMS WHICH SURROUND HOMELESSNESS. I HAVE SPOKEN MANY, MANY TIMES ABOUT THE URGENCY OF ADDRESSING THEIR UNIQUE SITUATIONS. IN THE PAST, WE HAVE ACTED SPORADICALLY TO AID THE HOMELESS. THIS HAS BEEN DONE PRIMARILY THROUGH APPROPRIATIONS FOR THE EMERGENCY FOOD AND SHELTER PROGRAM OPERATED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) AND THE EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD. THIS BOARD IS COMPOSED OF REPRESENTATIVES FROM THE UNITED WAY, THE SALVATION ARMY, THE NATIONAL COUNCIL OF CHURCHES OF CHRIST, CATHOLIC CHARITIES, THE COUNCIL OF JEWISH FEDERATIONS, AND THE AMERICAN RED CROSS, AS WELL AS THE DIRECTOR OF FEMA. IN THE LEGISLATION BEING

CONSIDERED, THIS NATIONAL BOARD AND ITS GRANT-MAKING RESPONSIBILITIES ARE AUTHORIZED.

THE 100TH CONGRESS HAS ALREADY APPROVED AN EMERGENCY SUPPLEMENTAL APPROPRIATION OF $50 MILLION TO AID THE HOMELESS. THESE FUNDS ARE DISTRIBUTED THROUGH THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD. THIS LEGISLATION SIMPLY AUTHORIZES THE $50 MILLION FOR FISCAL YEAR 1987 WHICH WAS ALREADY APPROPRIATED BY THE CONGRESS. IT IS MY HOPE THAT DURING THEIR CONSIDERATION, THE GOVERNMENTAL AFFAIRS COMMITTEE WILL SEE THE NEED FOR, AND WILL INCLUDE, AN AUTHORIZATION FOR FISCAL YEAR 1988.

WE MUST ADDRESS THE ROOT CAUSES OF HOMELESSNESS. WE MUST PROVIDE ASSISTANCE TO THESE PEOPLE WHICH WILL AID IN FINDING THEM PERMANENT HOUSING, EMPLOYMENT, EDUCATION, MENTAL AND PHYSICAL HEALTH CARE AND OTHER SERVICES WHICH WILL LEAD TO THEIR ECONOMIC INDEPENDENCE AND STABILITY. ESTABLISHING AN INTERAGENCY COUNCIL ON THE HOMELESS AND AUTHORIZING THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD ARE DRAMATIC FIRST STEPS TOWARDS ELIMINATING THIS NATIONAL TRAGEDY.

MR. CHAIRMAN, I WANT TO THANK YOU FOR ALLOWING ME TO PARTICIPATE IN YOUR HEARING AND FOR YOUR EFFORTS ON HELAF OF THE HOMELESS.

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STATEMENT OF

THE HONORABLE JAMES MORAN

MAYOR, ALEXANDRIA, VIRGINIA

on behalf of

THE NATIONAL LEAGUE OF CITIES

on

S. 809

URGENT RELIEF FOR THE HOMELESS ACT

before the

COMMITTEE ON GOVERNMENTAL AFFAIRS

UNITED STATES SENATE

March 30, 1987

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Mr. Chairman, Senator Roth, and members of the Committee, I am Jim Moran, the Mayor of Alexandria, Virginia. I am submitting this testimony this morning on behalf of the public elected officials of the 16,000 cities and towns represented by the National League of Cities.

We are grateful for the recognition by the Congress of the need for early action and coordination of assistance to respond to this growing national problem. We believe efforts to ensure that this bill is supplemental and is written so that meaningful assistance could be made available at the local level on an urgent basis is important.

In that context, I would like to raise several concerns.

First, we are deeply concerned at proposals which would cut the Community Development Block Grant program this year at the same time members are expressing a concern about the homeless. The CDBG program is the single most effective and efficient program we have - not just to respond to the homeless in our cities, but to prevent homelessness.

Proposals, such as that currently pending before the Senate Budget Committee, to cut CDBG by nearly $1 billion next year, but to initiate new funding for the homeless through this legislation at a level near $400 million would be counterproductive. They would mean far less would actually be available to help the homeless, and that which would be available would entail more bureaucracy, more federal and state administrative costs, and more federal and state regulations.

Any homeless legislation which works as a substitute for current CDBG funding will make our job harder, not easier.

Second, we are concerned about the number of federal agencies involved in administering this proposal.

Third, we are concerned that extensive involvement of states in this initiative will delay implementation and reduce the amount of funding which would eventually reach the local level - where the problems have been, are, and will be.
Fourth, we are concerned at the case management provisions. While we would prefer case management wherever possible, just the cost of finding and providing emergency shelter for families is already numbing.

The importance of CDBG

Last year, cities spent 35 percent of CDBG funds for housing related activities - principally housing rehabilitation - and 10 percent on programs directly related to the homeless.

These funds go directly to municipalities and provide flexibility for cities to meet their own unique low and moderate income needs. Consequently, the program provides efficiency and flexibility for cities to try and meet long term housing needs, while responding to immediate shelter needs.

The ability to determine that balance according to local needs is important. Homeless problems vary from one city to the next - so that what is effective in one city might be inappropriate in the next. Equally importantly, CDBG is becoming one of the most important sources of funding for decent, safe, and sanitary housing.

It is the loss of such housing which has created the homeless problem. Any Congressional action now which cuts our ability to deal with the long term problem and focuses only on the immediate homeless population will aggravate the problem.

Our recently completed survey of 444 cities and towns across the nation demonstrated that homelessness is a severe problem in a majority of cities and that existing programs and services are insufficient to meet the growing problems.

Yet with the deep cuts in low income housing assistance, the adverse impact of tax reform on multifamily rental housing, and the scheduled expiration of 3.5 million Section 8 units, we are only beginning to see the tip of the iceberg. The nation's cities and towns are sitting on a time bomb of expiring federal commitments which will create a far more serious homeless problem in the next few years.

Therefore, we believe that the most important message we can convey to this committee is the importance of preventing any trading in of CDBG funds to be partially replaced or substituted for by this approach.

If anything, we believe this committee could make a significant contribution to the nation by recognizing the strength of the current CDBG program and the importance of confronting the long term time bomb in low and moderate income housing. While it is clear that current CDBG assistance is simply not enough to begin to deal with our nation's homeless problem, cutting what little we have would surely render many more families with children homeless.

Federal agencies

The committee included a provision creating and authorizing funds for a new interagency council on the homeless to help coordinate the large number of federal agencies involved in administering sections of this legislation.

To us, the more federal agencies that are involved, the greater the administrative costs to the federal government will be and the greater the number of potentially conflicting federal regulations which will be promulgated. That would mean less funds would actually be available for the homeless, but of those funds which did make it through, more would be tied up in trying to comply with different agency goals and objectives.

We believe that it would be worth considering detailing existing staff and requiring that the council insure maximum coordination of any federal regulations, so that cities can devote whatever funds are available to the problems at hand.

State involvement

The legislation appears to call for extensive state involvement and substantial application requirements. We believe these provisions merit review.

Despite the severity of the homeless problem throughout the nation, virtually no states have acted to assist cities, counties, and towns. Some states, and some members, have instead called for the termination of federal housing and community development assistance as part of a welfare reform proposal. Such a proposal would sharply accelerate the number of homeless at the local level.

We are concerned that involving another layer of government which has so far demonstrated little concern or support could add another layer of delay, administrative costs, and further limiting regulations to what is intended as an urgent program.

We support efforts to involve states - especially those few that have worked with cities to meet this problem - but not where it will hinder our own ability.

In this same connection, we are concerned at the balance between efficient expenditures of federal funds as opposed to overly burdensome planning requirements. We understand already from the Department of Housing and Urban Development that the plans which must be submitted in order to be eligible for grants not only could impose significant costs on state and local governments, but could impose substantial delays.

Case management

The legislation would impose a case management mandate for all residents. We think this is a worthy goal, but we think it is one which creates serious public policy questions, and for which the authorized funds would fall far short.

Case management is expensive both in personnel and local tax dollars. To comply with this provision would force cities to balance other personnel needs and priorities.

Is case management for a non-resident with a criminal record more important than case management for a 3 month old whose teenage mother just dropped out of our high school - if we can only afford to do one? How do we impose such mandates when we are working with a religious sponsor and we are feeling lucky if we can find enough cots when the temperature outside is below freezing?

No one in my city questions the merits of case management: we simply do not begin to have the fiscal resources. When we talk about the homeless, we not only do not have the fiscal, but also lack the physical resources.

At a time when federal assistance to cities and towns has been severely eroded and when poverty is substantially higher - especially in central cities and rural areas - cities have little choice but to cut back. The option of increasing services is simply not available.

It is important to note in this context, moreover, that the General Revenue Sharing program was specifically targeted to fiscal need. Its termination disproportionately hurts cities with the greatest levels of homelessness and those with the greatest demands for human services - but with the least revenue bases.

We are concerned that the case management requirement could have the effect of eliminating communities in the greatest need from eligibility, in addition to diverting community resources from other important needs.

Indeed, it is ironic that the case management section would, where no other agency is appropriate, give preference to programs funded under the Community Services Block Grant - still another critical federal homeless resource program proposed for termination in the budget.

Summary

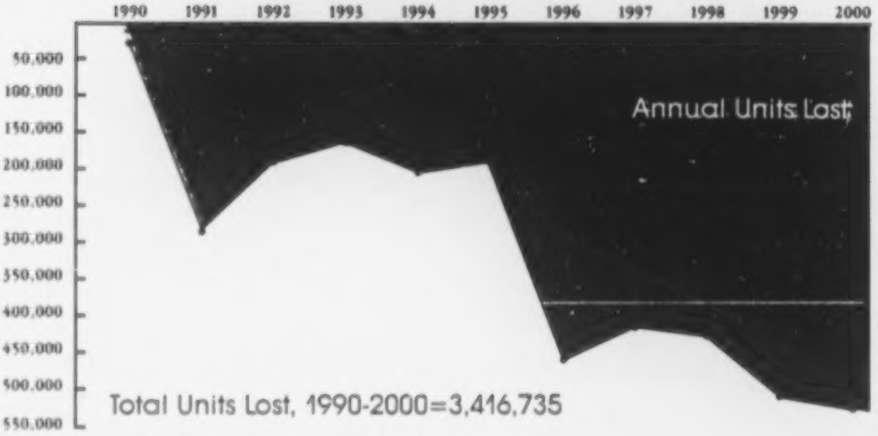
Current resources in this country are insufficient to respond to the homeless problem in the nation's cities and towns. Poverty and homelessness are increasing. Federal assistance for low income housing is disappearing.

The abrupt decline and abdication of a federal role to provide all Americans with decent, safe, and sanitary housing now threatens to force 3.5 million American families out of there homes onto our streets over the next decade.

We believe this well intentioned legislation could serve as a starting point to begin to address the issue of homelessness in America. But it can only do that if it does not undermine, but supplements those steps we are already taking.

THE TIME BOMB

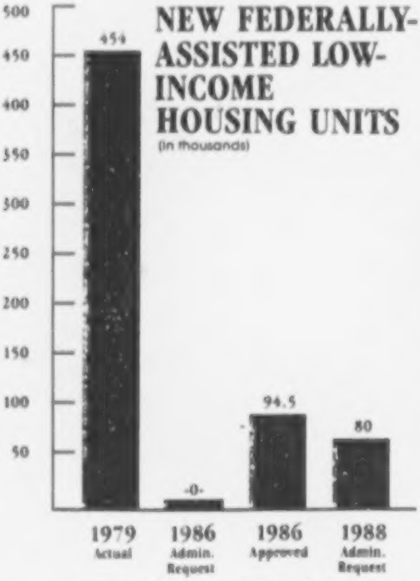
LOW-INCOME HOUSING UNITS TO BE LOST
THROUGH VOUCHER AND SECTION 8
CONTRACT EXPIRATIONS
1990-2000



Source: U.S. Department of Housing and Urban Development

NEW FEDERALLY-ASSISTED LOW-INCOME HOUSING UNITS

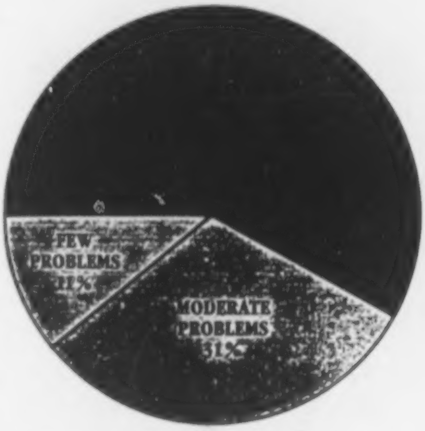
(in thousands)



Sources: NLC Policy Working Paper, *Federal Housing Assistance: Who Needs it? Who Gets it?* 1985. FY 88 and prior federal budgets.

HOUSING THE HOMELESS

A CRITICAL PROBLEM FOR
MOST MUNICIPALITIES



Homeless people face severe problems in 58 percent of the 388 cities and towns responding to an NLC survey.

Source: NLC Research Report, *A Time to Build Up*, February 1987